

# YAMAHA CORPORATION

## Flash Report Consolidated Basis (Japanese GAAP)

Results through the Third Quarter of the Fiscal Year Ending March 31, 2011  
(April 1, 2010—December 31, 2010)

February 3, 2011

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

**Code number:** 7951

**Stock listing:** Tokyo Stock Exchange (First Section)

**Address of headquarters:** 10-1, Nakazawa-cho, Naka-ku, Hamamatsu, Shizuoka 430-8650, Japan

**Representative director:** Mitsuru Umemura, President and Representative Director

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**Scheduled date to submit Quarterly Securities Report:** February 14, 2011

**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 through the Third Quarter of FY2011.3 (April 1, 2010—December 31, 2010)

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
Through the third quarter of FY2011.3	¥285,423	(9.9)%	¥16,344	55.7%	¥14,343	63.3%
Through the third quarter of FY2010.3	¥316,883	(14.2)%	¥10,495	(52.8)%	¥ 8,785	(58.2)%

	Net income		Net income per share	Net income per share after full dilution
	Millions of yen	% change from the previous year	Yen	Yen
Through the third quarter of FY2011.3	¥9,969	231.7%	¥50.69	—
Through the third quarter of FY2010.3	¥3,005	(67.8)%	¥15.24	—

#### (2) Consolidated Financial Data

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Third quarter of FY2011.3	¥387,968	¥244,099	62.2%	¥1,240.20
FY2010.3	¥402,152	¥254,591	62.6%	¥1,276.35

(For reference) Shareholders' equity: **Third quarter of FY2011.3** ¥241,286 million    FY2010.3 ¥251,738 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
FY2010.3	—	¥15.00	—	¥12.50	¥27.50
FY2011.3	—	¥ 5.00	—		
FY2011.3 (Forecast)				¥ 5.00	¥10.00

Note: Whether the dividend forecast has been revised in the third quarter: No

Breakdown of dividends for FY2010.3 and FY2011.3 and forecast for FY2011.3:

End of the second quarter of FY2010.3: Regular dividend of ¥5.00, special dividend of ¥10.00

End of the fiscal year of FY2010.3: Regular dividend of ¥2.50, special dividend of ¥10.00

End of the second quarter of FY2011.3: Regular dividend of ¥5.00

Forecast for the end of the fiscal year of FY2011.3: Regular dividend of ¥5.00

## 3. Consolidated Financial Forecasts for FY2011.3 (April 1, 2010—March 31, 2011)

(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
FY2011.3	¥373,000	(10.1)%	¥12,500	83.1%	¥10,000	103.6%

	Net income		Net income per share
	Millions of yen	% change from the previous year	Yen
FY2011.3	¥6,500	—	¥33.13

Note: Whether the forecasts for consolidated figures have been revised in the third quarter: Yes

## 4. Others

(For further details, please refer to the “Other Information” section of the Supplementary Materials on page 2.)

(1) Changes in the state of material subsidiaries during the period: None

Note: These are the changes in the state of significant subsidiaries accompanying changes in the scope of consolidation during the period.

(2) The application of simplified accounting methods and/or special accounting treatment: Yes

Note: These are the application of simplified accounting methods and/or special accounting treatment for the quarterly consolidated financial statements.

(3) Changes in accounting principles, procedures, and methods of presentation, etc.

(a) Changes accompanying revisions in accounting standards: Yes

(b) Changes other than those in (a) above: None

Note: These are the changes in accounting principles, procedures, and methods of presentation, etc., in the preparation of the quarterly consolidated financial statements that are recorded in “Changes in material items that form the basis for the preparation of the quarterly consolidated financial statements.”

(4) Number of shares issued (common shares)

(a) Number of shares issued at the end of the period (including treasury stock)	<b>Third quarter of FY2011.3</b>	<b>197,255,025 shares</b>	FY2010.3	197,255,025 shares
(b) Number of treasury stock at the end of the period	<b>Third quarter of FY2011.3</b>	<b>2,700,818 shares</b>	FY2010.3	21,774 shares
(c) Average number of shares issued during the period (9-months accumulation)	<b>Third quarter of FY2011.3</b>	<b>196,696,658 shares</b>	Third quarter of FY2010.3	197,235,635 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 third quarter of the current fiscal year, please refer to "Outline of the Consolidated Financial Results through the Third Quarter (Nine Months) of the Fiscal Year Ending March 31, 2011 (FY2011.3)," which was released today (February 3, 2011).
- For the consolidated financial forecasts for FY2001.3, please refer to "Announcement of Revision in Forecast for Performance", which was released today (February 3, 2011).

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

## 1. Other Information

### (1) Outline of Changes in the State of Material Subsidiaries

None

### (2) Outline of Simplified Accounting Methods and/or Special Accounting Treatment

#### Simplified accounting methods

##### a. Method for evaluating inventories

In calculating the value of inventories on a consolidated basis at the end of the third quarter, the Company has omitted on-site inventory inspections and used methods deemed to be reasonable that are based on the value of inventories determined through on-site inspection at the end of the second quarter. In addition, for those inventories whose contribution to revenues and income has clearly diminished, the method of estimating the net sale value of such inventories has been adopted and their book value has been reduced to their net sale value.

##### b. Method for allocation of cost variances

As a result of the use of scheduled standard prices, etc., cost variances may arise. When that cost variances arise, the allocation of such cost variances to inventories and cost of sales was determined by major product using a simplified method compared with year-end annual closing work.

##### c. Method for calculating income taxes

The amount of corporate income tax to be paid was calculated by limiting the items to be added and subtracted, and items to be deducted from the tax amount to material items.

#### Special accounting treatment used in preparation of the quarterly consolidated financial statements

None

### (3) Outline of the Changes in Accounting Principles, Procedures, and Methods of Presentation, etc.

##### a. Application of “Accounting Standards for Asset Retirement Obligations”

Beginning with the first quarter of the fiscal year ending March 31, 2011, “Accounting Standards for Asset Retirement Obligations” (Accounting Standards Board of Japan (ASBJ) Statement No. 18, issued by ASBJ on March 31, 2008) and “Guidance on Accounting Standards for Asset Retirement Obligations” (ASBJ Guidance No. 21, issued by ASBJ on March 31, 2008) have been applied.

As a result, the effect of this change on consolidated profit and loss accumulated through the end of the third quarter of the fiscal year was not material.

##### b. Application of “Accounting Standards for Measurement of Inventories”

Beginning with the first quarter of the fiscal year ending March 31, 2011, accompanying the application of “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9, revised by ASBJ on September 26, 2008), the Company and certain of its consolidated subsidiaries in Japan have changed the method of measurement of inventories from the cost method using the last-in, first-out method to the periodic average method.

As a result, operating income, ordinary income, and income before income taxes and minority interests accumulated through the end of the third quarter of the fiscal year were each ¥653 million higher than they would have been without this change.

##### c. Application of “Accounting Standards for Business Combinations and Related Matters”

Beginning with the first quarter of the fiscal year ending March 31, 2011, the Company has applied the following accounting standards. All of these accounting standards, partial amendments to existing accounting standards, and guidance were issued by ASBJ on December 26, 2008.

- “Accounting Standard for Business Combinations” (ASBJ Statement No. 21)
- “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22)
- “Partial Amendments to the Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23)
- “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7)
- “Revised Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16)
- “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10)

As a result, these changes had no effect on consolidated profit and loss accumulated through the end of the third quarter of the fiscal year.

**Changes in Methods of Presentation**

**Consolidated Statements of Operations**

Accompanying the application of revisions in certain rules for the presentation of financial statements, as contained in a cabinet order (Cabinet Office Ordinance No. 5, issued on March 24, 2009), which are based on the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, issued on December 26, 2008), the Company has included the item “Income before minority interests” in the consolidated financial statements through the third quarter and the third quarter alone of the fiscal year ending March 31, 2011.

**(4) Outline of Material Matters Regarding Assumptions as a Going Concern**

None

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	Third quarter of FY2011.3 (as of December 31, 2010)	FY2010.3 (as of March 31, 2010)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	¥ 49,643	¥ 59,407
Notes and accounts receivable—trade	56,175	48,911
Short-term investment securities	360	670
Merchandise and finished goods	46,756	48,087
Work in process	15,336	12,496
Raw materials and supplies	9,273	8,935
Other	16,419	16,249
Allowance for doubtful accounts	(1,413)	(1,496)
Total current assets	192,551	193,260
<b>Noncurrent assets</b>		
Property, plant and equipment		
Buildings and structures, net	39,720	42,158
Machinery, equipment and vehicles, net	11,473	12,454
Tools, furniture and fixtures, net	7,685	8,871
Land	50,493	50,655
Lease assets, net	281	306
Construction in progress	1,122	1,845
Total property, plant and equipment	110,776	116,291
Intangible assets	2,713	3,203
Investments and other assets		
Investment securities	71,241	80,044
Other	11,381	10,156
Allowance for doubtful accounts	(696)	(803)
Total investments and other assets	81,926	89,396
Total noncurrent assets	195,416	208,891
<b>Total assets</b>	¥387,968	¥402,152

(Millions of yen)

	Third quarter of FY2011.3 (as of December 31, 2010)	FY2010.3 (as of March 31, 2010)
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Notes and accounts payable—trade	¥ 21,543	¥ 21,791
Short-term loans payable	12,101	8,816
Current portion of long-term loans payable	3,245	1,023
Accounts payable—other and accrued expenses	24,208	32,496
Income taxes payable	1,738	1,900
Provision	2,487	3,610
Other	7,088	5,543
Total current liabilities	72,413	75,182
<b>Noncurrent liabilities</b>		
Long-term loans payable	2,079	5,177
Provision for retirement benefits	36,843	33,675
Other	32,533	33,525
Total noncurrent liabilities	71,455	72,378
<b>Total liabilities</b>	143,868	147,560
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Capital stock	28,534	28,534
Capital surplus	40,054	40,054
Retained earnings	174,132	167,614
Treasury stock	(2,665)	(34)
Total shareholders' equity	240,055	236,169
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	30,661	34,000
Deferred gains or losses on hedges	127	(166)
Revaluation reserve for land	16,202	16,201
Foreign currency translation adjustment	(45,761)	(34,466)
Total valuation and translation adjustments	1,230	15,569
<b>Minority interests</b>	2,813	2,852
<b>Total net assets</b>	244,099	254,591
<b>Total liabilities and net assets</b>	¥387,968	¥402,152

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



**(2) Consolidated Statements of Operations****Accumulated Consolidated Results through the Third Quarter of FY2011.3**

(Millions of yen)

	Accumulated through the third quarter of FY2011.3 (April 1, 2010–December 31, 2010)	Accumulated through the third quarter of FY2010.3 (April 1, 2009–December 31, 2009)
<b>Net sales</b>	¥285,423	¥316,883
<b>Cost of sales</b>	178,022	203,433
Gross profit	107,401	113,449
<b>Selling, general and administrative expenses</b>	91,056	102,953
Operating income	16,344	10,495
<b>Non-operating income</b>		
Interest income	224	200
Dividends income	649	437
Other	706	1,010
Total non-operating income	1,580	1,647
<b>Non-operating expenses</b>		
Sales discounts	1,716	2,157
Foreign exchange losses	1,244	—
Other	620	1,200
Total non-operating expenses	3,581	3,357
Ordinary income	14,343	8,785
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	100	120
Gain on sales of investment securities	236	—
Reversal of provision for product warranties	40	101
Reversal of provision for business structural reform expenses	311	—
Other	—	5
Total extraordinary income	689	227
<b>Extraordinary loss</b>		
Loss on retirement of noncurrent assets	348	252
Loss on sales of investment securities	125	—
Loss on valuation of investment securities	1,405	125
Loss on valuation of stocks of subsidiaries and affiliates	10	145
Other	79	10
Total extraordinary losses	1,969	533
<b>Income before income taxes and minority interests</b>	13,063	8,479
<b>Income taxes—current</b>	3,624	2,618
<b>Income taxes—deferred</b>	(852)	2,556
<b>Total income taxes</b>	2,772	5,175
<b>Income before minority interests</b>	10,291	—
<b>Minority interests in income</b>	321	298
<b>Net income</b>	¥ 9,969	¥ 3,005

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

### Consolidated Results for the Third Quarter of FY2011.3

(Millions of yen)

	Third quarter of FY2011.3 (October 1, 2010– December 31, 2010)	Third quarter of FY2010.3 (October 1, 2009– December 31, 2009)
<b>Net sales</b>	<b>¥101,089</b>	¥112,536
<b>Cost of sales</b>	<b>63,317</b>	71,800
Gross profit	37,771	40,735
<b>Selling, general and administrative expenses</b>	<b>30,701</b>	34,378
Operating income	7,070	6,356
<b>Non-operating income</b>		
Interest income	77	66
Dividends income	103	101
Other	22	316
Total non-operating income	202	485
<b>Non-operating expenses</b>		
Sales discounts	667	808
Foreign exchange losses	458	—
Other	169	95
Total non-operating expenses	1,295	904
Ordinary income	5,977	5,937
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	31	52
Gain on sales of investment securities	124	—
Gain on reversal of loss on valuation of investment securities	316	—
Reversal of provision for product warranties	—	4
Total extraordinary income	471	56
<b>Extraordinary loss</b>		
Loss on retirement of noncurrent assets	104	113
Loss on sales of investment securities	65	—
Loss on valuation of investment securities	—	13
Other	11	0
Total extraordinary losses	181	127
<b>Income before income taxes and minority interests</b>	<b>6,267</b>	5,866
<b>Income taxes—current</b>	<b>798</b>	879
<b>Income taxes—deferred</b>	<b>460</b>	1,037
<b>Total income taxes</b>	<b>1,258</b>	1,916
<b>Income before minority interests</b>	<b>5,009</b>	—
<b>Minority interests in income</b>	<b>86</b>	106
<b>Net income</b>	<b>¥ 4,923</b>	¥ 3,843

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

### (3) Notes Regarding Assumptions as a Going Concern

None

### (4) Segment Information

#### (a) Business Segments

Accumulated through the third quarter of FY2010.3 (April 1, 2009—December 31, 2009)

(Millions of yen)

	Musical instruments	AV/IT	Electronic devices	Lifestyle-related products	Others	Total	Eliminations or unallocated amounts	Consolidated
Sales to external customers	¥211,045	¥41,904	¥14,978	¥27,994	¥20,960	¥316,883		¥316,883
Intersegment sales or transfers			538			538	(538)	
Total sales	¥211,045	¥41,904	¥15,516	¥27,994	¥20,960	¥317,421	¥(538)	¥316,883
Operating income (loss)	¥ 7,798	¥ 1,929	¥ (230)	¥ 316	¥ 682	¥ 10,495		¥ 10,495

Third quarter of FY2010.3 (October 1, 2009—December 31, 2009)

(Millions of yen)

	Musical instruments	AV/IT	Electronic devices	Lifestyle-related products	Others	Total	Eliminations or unallocated amounts	Consolidated
Sales to external customers	¥71,359	¥17,356	¥5,330	¥10,131	¥8,358	¥112,536		¥112,536
Intersegment sales or transfers			147			147	(147)	
Total sales	¥71,359	¥17,356	¥5,477	¥10,131	¥8,358	¥112,683	¥(147)	¥112,536
Operating income	¥ 2,908	¥ 1,955	¥ 571	¥ 416	¥ 504	¥ 6,356		¥ 6,356

Notes: 1. Business segments:

Segments are divided into the categories of musical instruments, AV/IT, electronic devices, lifestyle-related products, and others based on consideration of similarities of product type, characteristics, and market, etc.

2. Major products in each business segment:

Business Segment	Major Products and Services
Musical instruments	Pianos, Digital musical instruments, Wind, string, and percussion instruments, Educational musical instruments, Professional audio equipment, Soundproof rooms, Music schools, English-language schools, Musical entertainment software, and Piano tuning
AV/IT	Audio products, Information and telecommunication equipment
Electronic devices	Semiconductors
Lifestyle-related products	System kitchens, System bathrooms, Washstands
Others	Golf products, Automobile interior wood components, Factory automation equipment, Metallic molds and components, Accommodation and sports facilities

3. Accompanying the transfer of Yamaha's equity holdings in Yamaha Livingtec Corporation, a consolidated subsidiary which operates lifestyle-related products business, that company and two of its subsidiaries were excluded from the scope of consolidation as of March 31, 2010. However, those companies' profit (loss) and cash flow have been consolidated through the end of the fiscal year.

**(b) Geographical Segments**

Accumulated through the third quarter of FY2010.3 (April 1, 2009—December 31, 2009)

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania and other areas	Total	Eliminations or unallocated amounts	Consolidated
Sales to external customers	¥169,498	¥44,322	¥57,665	¥45,396	¥316,883		¥316,883
Intersegment sales or transfers	86,840	673	1,056	43,483	132,053	(132,053)	
Total sales	¥256,338	¥44,996	¥58,721	¥88,879	¥448,936	¥(132,053)	¥316,883
Operating income (loss)	¥ (1,948)	¥ 1,819	¥ 3,340	¥ 6,521	¥ 9,733	¥ 762	¥ 10,495

Third quarter of FY2010.3 (October 1, 2009—December 31, 2009)

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania and other areas	Total	Eliminations or unallocated amounts	Consolidated
Sales to external customers	¥57,591	¥15,300	¥23,449	¥16,195	¥112,536		¥112,536
Intersegment sales or transfers	26,962	203	400	14,551	42,117	(42,117)	
Total sales	¥84,553	¥15,503	¥23,849	¥30,746	¥154,653	¥(42,117)	¥112,536
Operating income	¥ 812	¥ 452	¥ 1,690	¥ 2,299	¥ 5,255	¥ 1,101	¥ 6,356

Notes: 1. Division by country or region is based on geographical proximity.

2. Main country 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

**(c) Overseas Sales**

Accumulated through the third quarter of FY2010.3 (April 1, 2009—December 31, 2009)

(Millions of yen)

	North America	Europe	Asia, Oceania and other areas	Total
Overseas sales	¥44,950	¥56,971	¥53,219	¥155,141
Net sales				316,883
% of net sales	14.2%	18.0%	16.8%	49.0%

Third quarter of FY2010.3 (October 1, 2009—December 31, 2009)

(Millions of yen)

	North America	Europe	Asia, Oceania and other areas	Total
Overseas sales	¥15,566	¥23,279	¥19,126	¥ 57,971
Net sales				112,536
% of net sales	13.8%	20.7%	17.0%	51.5%

Notes: 1. Division by country or region is based on geographical proximity.

2. Main country and regional divisions:

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

## **Segment Information**

### **Supplementary Information**

Beginning with the first quarter of the fiscal year ending March 31, 2011, “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, issued by ASBJ on March 27, 2009) and the “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, issued by ASBJ on March 21, 2008) have been applied.

#### **1) Summary of Reporting Segments**

Business segments are composed of business units that provide separate financial information, are regularly reviewed by the Board of Directors of the Company for the purpose of business performance evaluation and management resource allocation decisions, and that have been grouped to consolidate products and services with similar economic characteristics and contents.

The Company has established business divisions by product and service in its head office and formulates comprehensive strategies for implementation in Japan and overseas in its respective business domains.

Therefore, the Company’s business segments, based on its business domains, comprise its three principal reporting segments, which are musical instruments, AV/IT, and electronic devices. Other businesses have been grouped together in “Others.”

The musical instruments business segment includes the manufacture and sales of pianos; digital musical instruments; wind, string, and percussion instruments; and professional audio equipment as well as other music-related activities. The AV/IT business segment includes the manufacture and sales of audio products, information and telecommunication equipment, and certain other products. The electronic devices business segment includes the manufacture and sales of semiconductor products. “Others” includes automobile interior wood components, factory automation equipment, golf products, recreation, and certain other lines of business.

## 2) Sales and Income by Reporting Segment

Accumulated through the third quarter of FY2011.3 (April 1, 2010—December 31, 2010)

(Millions of yen)

	Musical instruments	AV/IT	Electronic devices	Others	Total	Adjustments	Consolidated
Sales to external customers	¥205,872	¥44,539	¥15,477	¥19,533	¥285,423		¥285,423
Intersegment sales or transfers			804		804	(804)	
Total sales	¥205,872	¥44,539	¥16,282	¥19,533	¥286,227	¥(804)	¥285,423
Segment income	¥ 10,670	¥ 2,879	¥ 1,066	¥ 1,729	¥ 16,344		¥ 16,344

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

The sales adjustment item of –¥804 million, which comprises eliminations of transactions among the Company’s business segments.

2. “Segment income” means the operating income of the segment as presented in the quarterly consolidated statements of operations.

Third quarter of FY2011.3 (October 1, 2010—December 31, 2010)

(Millions of yen)

	Musical instruments	AV/IT	Electronic devices	Others	Total	Adjustments	Consolidated
Sales to external customers	¥70,837	¥19,131	¥5,214	¥5,906	¥101,089		¥101,089
Intersegment sales or transfers			169		169	(169)	
Total sales	¥70,837	¥19,131	¥5,384	¥5,906	¥101,259	¥(169)	¥101,089
Segment income	¥ 4,299	¥ 2,252	¥ 129	¥ 388	¥ 7,070		¥ 7,070

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

The sales adjustment item of –¥169 million, which comprises eliminations of transactions among the Company’s business segments.

2. “Segment income” means the operating income of the segment as presented in the quarterly consolidated statements of operations.

(For Reference)

**(a) Geographical Segments**

**Accumulated through the third quarter of FY2011.3 (April 1, 2010—December 31, 2010)**

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania and other areas	Total	Eliminations or unallocated amounts	Consolidated
Sales to external customers	¥142,987	¥42,383	¥50,940	¥49,112	¥285,423		¥285,423
Intersegment sales or transfers	101,212	687	1,314	48,976	152,191	(152,191)	
Total sales	¥244,199	¥43,070	¥52,255	¥98,088	¥437,614	¥(152,191)	¥285,423
Operating income	¥ 6,846	¥ 1,128	¥ 2,069	¥ 7,321	¥ 17,364	¥ (1,020)	¥ 16,344

**Third quarter of FY2011.3 (October 1, 2010—December 31, 2010)**

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania and other areas	Total	Eliminations or unallocated amounts	Consolidated
Sales to external customers	¥48,073	¥14,340	¥20,998	¥17,676	¥101,089		¥101,089
Intersegment sales or transfers	29,442	214	380	14,384	44,421	(44,421)	
Total sales	¥77,516	¥14,555	¥21,378	¥32,060	¥145,510	¥(44,421)	¥101,089
Segment income	¥ 1,573	¥ 319	¥ 1,151	¥ 2,138	¥ 5,182	¥ 1,888	¥ 7,070

Notes: 1. Division by country or region is based on geographical proximity.

2. Main country 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



**(b) Overseas Sales****Accumulated through the third quarter of FY2011.3 (April 1, 2010—December 31, 2010)**

(Millions of yen)

	North America	Europe	Asia, Oceania and other areas	Total
Overseas sales	¥42,810	¥50,909	¥57,339	¥151,059
Net sales				285,423
% of net sales	15.0%	17.8%	20.1%	52.9%

**Third quarter of FY2011.3 (October 1, 2010—December 31, 2010)**

(Millions of yen)

	North America	Europe	Asia, Oceania and other areas	Total
Overseas sales	¥14,455	¥20,793	¥20,384	¥ 55,634
Net sales				101,089
% of net sales	14.3%	20.6%	20.2%	55.0%

Notes: 1. Division by country or region is based on geographical proximity.

2. Main country and regional divisions:

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

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

The Company's Board of Directors, at its meeting held on October 29, 2010, decided the necessary matters to conduct an acquisition of its own shares. The acquisition of 2,674,900 common shares was completed on November 10, 2010.

During the period through the third quarter of the current fiscal year, the total amount of own shares purchased under the Board's decision of October 29 was ¥2,626 million, and the amount of shares of less than one trading unit purchased was ¥4 million. As a result, as of the end of the third quarter, the total balance of treasury stock was ¥2,665 million.

**(6) Subsequent Events**

The company's Board of Directors, at its meeting held on February 3, 2011, decided the necessary matters to conduct an acquisition of its own shares under Article 156 of the Corporation Law of Japan, as applied pursuant to Article 165-3 of the said Corporation Law. The details of the share acquisition are as follows.

**(a) Reason for the share acquisition**

The acquisition of shares will be conducted to increase capital efficiency and implement a flexible and timely capital policy.

**(b) Details of the acquisition**

- 1) Class of shares to be purchased: Yamaha's common shares
- 2) Total number of shares that can be acquired: 1 million shares (upper limit):  
This represents 0.5% of total shares issued and outstanding (excluding treasury stock).
- 3) Total amount of shares that can be acquired: ¥1,200 million (upper limit)
- 4) Period for the share acquisition: From February 4, 2011, to February 28, 2011

(For reference)

Yamaha's holdings of own shares issued and outstanding as of January 31, 2011:

Total shares issued and outstanding (excluding treasury stock): 194,553,819 shares

Treasury stock held: 2,701,206 shares