

YAMAHA CORPORATION

Flash Report Consolidated Basis (Japanese GAAP)

Results through the Second Quarter of the Fiscal Year Ending March 31, 2013
(April 1, 2012—September 30, 2012)

October 31, 2012

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:	November 14, 2012
Scheduled date to begin dividend payments:	December 4, 2012
Supplementary materials to the quarterly financial statements have been prepared:	Yes
Presentation will be held to explain the quarterly financial results:	Yes (for securities analysts and institutional investors)

1. Results through the Second Quarter of FY2013.3 (April 1, 2012—September 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
Through the second quarter of FY2013.3	¥176,831	0.1%	¥6,811	8.1%	¥6,107	14.5%
Through the second quarter of FY2012.3	¥176,629	(4.2)%	¥6,301	(32.0)%	¥5,332	(36.2)%

Note: Comprehensive income: **Second quarter of FY2013.3 ¥(15,437) million (—%)**
Second quarter of FY2012.3 ¥(16,611) million (—%)

	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 second quarter of FY2013.3	¥3,349	18.9%	¥17.30	—
Through the second quarter of FY2012.3	¥2,818	(44.2)%	¥14.55	—

(2) Consolidated Financial Data

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Second quarter of FY2013.3 (As of September 30, 2012)	¥348,767	¥189,981	53.7%	¥967.27
FY2012.3 (As of March 31, 2012)	¥366,610	¥206,832	55.6%	¥1,052.01

(For reference) Shareholders' equity: **Second quarter of FY2013.3 ¥187,295 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	—	¥5.00			
FY2013.3 (Forecast)			—	¥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 are changes from 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
FY2013.3	¥367,500	3.1%	¥11,000	35.6%	¥9,000	24.1%

	Net income		Net income per share
	Millions of yen	% change from the previous year	Yen
FY2013.3	¥3,500	—	¥18.08

Note: Revisions from recently announced performance forecast: Yes

Footnote Items

- (1) Changes in the state of material subsidiaries during the period (Changes regarding significant subsidiaries 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 2.

(4) Number of shares issued (common shares)

(a) Number of shares issued at the end of the period (including treasury stock)	Second 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	Second quarter of FY2013.3	3,622,175 shares	FY2012.3	3,612,338 shares
(c) Average number of shares issued during the period (quarterly accumulation period)	Second quarter of FY2013.3	193,638,773 shares	Second quarter of FY2012.3	193,643,292 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 and do not represent promises by the Company or its management that these performance figures will be attained. Actual consolidated results may differ from forecasts owing to a wide range of factors.

For commentary information regarding the closing of accounts through the second quarter of the current fiscal year, please refer to “Outline of the Consolidated Financial Results through the Second Quarter (Six Months) of the Fiscal Year Ending March 31, 2013 (FY2013.3) and Outlook for Performance for the Full Fiscal Year,” which was released today (October 31, 2012).

For the consolidated financial forecasts for FY2013.3, please refer to “Announcement of Revision in Forecast for Performance”, which was released today (October 31, 2012).

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.

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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 the effects of these changes on consolidated income (loss) and segment information were not material.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Second quarter of FY2013.3 (as of September 30, 2012)	FY2012.3 (as of March 31, 2012)
ASSETS		
Current assets		
Cash and deposits	¥ 50,043	¥ 52,103
Notes and accounts receivable—trade	49,747	45,634
Short-term investment securities	260	4,699
Merchandise and finished goods	56,359	51,452
Work in process	15,156	13,771
Raw materials and supplies	12,147	11,922
Other	9,309	10,534
Allowance for doubtful accounts	(938)	(1,165)
Total current assets	192,085	188,952
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	35,470	36,695
Machinery, equipment and vehicles, net	11,000	11,475
Tools, furniture and fixtures, net	8,120	7,826
Land	48,876	48,853
Lease assets, net	246	250
Construction in progress	1,953	1,757
Total property, plant and equipment	105,668	106,858
Intangible assets	2,553	2,685
Investments and other assets		
Investment securities	42,073	61,690
Other	6,887	7,163
Allowance for doubtful accounts	(499)	(739)
Total investments and other assets	48,460	68,114
Total noncurrent assets	156,681	177,658
Total assets	¥348,767	¥366,610

(Millions of yen)

	Second quarter of FY2013.3 (as of September 30, 2012)	FY2012.3 (as of March 31, 2012)
LIABILITIES		
Current liabilities		
Notes and accounts payable—trade	¥ 21,669	¥ 22,263
Short-term loans payable	17,472	9,883
Current portion of long-term loans payable	314	912
Accounts payable—other and accrued expenses	27,911	29,407
Income taxes payable	1,940	1,931
Provision	2,587	2,940
Other	6,058	5,492
Total current liabilities	77,954	72,829
Noncurrent liabilities		
Long-term loans payable	432	499
Provision for retirement benefits	42,085	41,479
Other	38,314	44,969
Total noncurrent liabilities	80,832	86,948
Total liabilities	158,786	159,778
NET ASSETS		
Shareholders' equity		
Capital stock	28,534	28,534
Capital surplus	40,054	40,054
Retained earnings	140,548	138,152
Treasury stock	(3,698)	(3,690)
Total shareholders' equity	205,439	203,050
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,502	27,337
Deferred gains or losses on hedges	(148)	(367)
Revaluation reserve for land	17,304	17,304
Foreign currency translation adjustment	(49,801)	(43,611)
Total accumulated other comprehensive income	(18,143)	662
Minority interests	2,685	3,118
Total net assets	189,981	206,832
Total liabilities and net assets	¥348,767	¥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)

	Accumulated through the second quarter of FY2013.3 (April 1, 2012–September 30, 2012)	Accumulated through the second quarter of FY2012.3 (April 1, 2011–September 30, 2011)
Net sales	¥176,831	¥176,629
Cost of sales	112,408	112,595
Gross profit	64,422	64,034
Selling, general and administrative expenses	57,611	57,732
Operating income	6,811	6,301
Non-operating income		
Interest income	222	226
Dividends income	446	294
Compensation for transfer	—	438
Other	373	294
Total non-operating income	1,042	1,253
Non-operating expenses		
Sales discounts	842	1,018
Foreign exchange losses	604	791
Other	298	413
Total non-operating expenses	1,746	2,223
Ordinary income	6,107	5,332
Extraordinary income		
Gain on sales of noncurrent assets	430	137
Gain on sales of investment securities	173	—
Total extraordinary income	604	137
Extraordinary losses		
Loss on retirement of noncurrent assets	80	184
Loss on valuation of investment securities	139	269
Loss on valuation of investments in capital of subsidiaries and affiliates	76	—
Business structural reform expenses	988	—
Other	—	51
Total extraordinary losses	1,284	506
Income before income taxes and minority interests	5,427	4,963
Income taxes—current	2,072	1,908
Income taxes—deferred	(162)	80
Total income taxes	1,909	1,988
Income before minority interests	3,518	2,975
Minority interests in income	168	157
Net income	¥ 3,349	¥ 2,818

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

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Accumulated through the second quarter of FY2013.3 (April 1, 2012–September 30, 2012)	Accumulated through the second quarter of FY2012.3 (April 1, 2011–September 30, 2011)
Income before minority interests	¥ 3,518	¥ 2,975
Other comprehensive income		
Valuation difference on available-for-sale securities	(12,833)	(10,999)
Deferred gains or losses on hedges	218	809
Foreign currency translation adjustments	(6,341)	(9,396)
Share of other comprehensive income of associates accounted for using equity method	(0)	(0)
Total other comprehensive income	(18,955)	(19,586)
Comprehensive income	(15,437)	(16,611)
(Composition)		
Comprehensive income attributable to owners of the parent	(15,454)	(16,595)
Comprehensive income attributable to minority shareholders	¥ 17	¥ (16)

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)****Accumulated through the second quarter of FY2013.3 (April 1, 2012—September 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	¥131,822	¥24,721	¥7,896	¥12,391	¥176,831		¥176,831
Intersegment sales or transfers			430		430	¥(430)	
Total sales	¥131,822	¥24,721	¥8,327	¥12,391	¥177,262	¥(430)	¥176,831
Segment income (loss)	¥ 5,520	¥ 1,491	¥ (940)	¥ 739	¥ 6,811		¥ 6,811

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

The sales adjustment item of ¥(430) 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.

Accumulated through the second quarter of FY2012.3 (April 1, 2011—September 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	¥132,364	¥25,048	¥8,138	¥11,077	¥176,629		¥176,629
Intersegment sales or transfers			427		427	¥(427)	
Total sales	¥132,364	¥25,048	¥8,565	¥11,077	¥177,056	¥(427)	¥176,629
Segment income (loss)	¥ 4,593	¥ 1,842	¥ (710)	¥ 576	¥ 6,301		¥ 6,301

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

The sales adjustment item of ¥(427) 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)

Accumulated through the second quarter of FY2013.3 (April 1, 2012—September 30, 2012) (Millions of yen)

	Japan	Overseas				Consolidated
		North America	Europe	Asia, Oceania, and other areas	Total	
Net sales	¥84,443	¥24,664	¥26,586	¥41,137	¥92,388	¥176,831
% of net sales	47.8%	13.9%	15.0%	23.3%	52.2%	100.0

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

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

Accumulated through the second quarter of FY2012.3 (April 1, 2011—September 30, 2011) (Millions of yen)

	Japan	Overseas				Consolidated
		North America	Europe	Asia, Oceania, and other areas	Total	
Net sales	¥82,997	¥24,301	¥30,055	¥39,275	¥93,632	¥176,629
% of net sales	47.0%	13.8%	17.0%	22.2%	53.0%	100.0%

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

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

(Sales Information Based on Group Locations Where Sales Take Place)**Accumulated through the second quarter of FY2013.3 (April 1, 2012—September 30, 2012)**

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania, and other areas	Total	Adjustments	Consolidated
Sales to external customers	¥ 90,738	¥24,449	¥26,551	¥35,092	¥176,831		¥176,831
Intersegment sales or transfers	65,953	310	557	35,855	102,676	¥(102,676)	
Total sales	¥156,691	¥24,759	¥27,108	¥70,947	¥279,507	¥(102,676)	¥176,831
Segment income	¥ 2,997	¥ 917	¥ 609	¥ 4,864	¥ 9,389	¥ (2,578)	¥ 6,811

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

2. Main country and regional divisions:

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 ¥(102,676) million, which comprises eliminations of transactions among the Company’s regional segments.

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

Accumulated through the second quarter of FY2012.3 (April 1, 2011—September 30, 2011)

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania, and other areas	Total	Adjustments	Consolidated
Sales to external customers	¥ 88,606	¥24,159	¥30,100	¥33,761	¥176,629		¥176,629
Intersegment sales or transfers	65,821	389	700	33,000	99,911	¥(99,911)	
Total sales	¥154,428	¥24,549	¥30,801	¥66,762	¥276,541	¥(99,911)	¥176,629
Segment income	¥ 938	¥ 769	¥ 572	¥ 4,607	¥ 6,887	¥ (585)	¥ 6,301

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

2. Main country and regional divisions:

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 ¥(99,911) million, which comprises eliminations of transactions among the Company’s regional 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