

**Analyst and Investor Briefing on the
Third Quarter of the Fiscal Year
Ending March 31, 2009
(FY2009.3)**

**February 4, 2009
YAMAHA CORPORATION**

Overview of Performance in the Third Quarter of FY2009.3



3Q External Environment

- Business confidence deteriorated further in the October-December period.
- The value of the yen rose sharply.

3Q (Oct-Dec) Results

■ As performance rapidly deteriorated, a Management Reform Committee was launched to lead crisis response.

■ Third quarter sales and income declined sharply year-on-year. Sales were lower than previous projections (made on October 31), but income was higher.

■ Net sales were 5.5% (¥6.9 billion) lower than previous projections. Discounting the impact of exchange rates (-¥0.2 billion), actual sales were 5.3% (¥6.7 billion) below previous projections. Excluding the impact of exchange rates (-¥14.6 billion), actual sales fell by 9.9% (¥14.7 billion) year-on-year. Sales declined in all segments except lifestyle-related products.

■ Although operating income was lower than in the third quarter of the previous year, it was ¥2.2 billion higher than previous projections due to the effects of cost reductions and favorable exchange rates.

Results for the First Three Quarters (Apr-Dec)

■ Sales and income both declined compared to the same period of the previous year.

■ Excluding the impact of business handover (-¥14.3 billion) and exchange rates (-¥23.7 billion), actual sales fell 5.2% (¥21.5 billion) year-on-year.

■ Operating income fell 37.4% (¥13.3 billion) year-on-year, due to factors including reduced sales and unfavorable exchange rates (¥1.9 billion).

Performance in the Third Quarter of FY2009.3



➤ Net sales were lower than previous projections, but operating income was higher. Sales and income both declined year-on-year.

(Billions of yen)

	FY2008.3 (3Q) actual	FY2009.3 (3Q) actual	Change from same period of previous year	Previous projections (Oct. 31, 2008)	Change from projections
Net sales	148.2	118.9	-19.8%	125.8	-5.5%
Operating income (Operating income ratio)	14.2	8.9 (7.5%)	-37.4%	6.7	+32.8%
Ordinary income (Ordinary income ratio)	13.7	7.7 (6.5%)	-43.8%	5.7	+35.3%
Net income (Net income ratio)	11.4	5.0 (4.2%)	-56.4%	2.6	+90.7%

Currency exchange rates (yen)

Net sales	US\$	113	96	95
	EUR	164	127	120
Operating income	US\$	114	100	95
	EUR	159	163	162

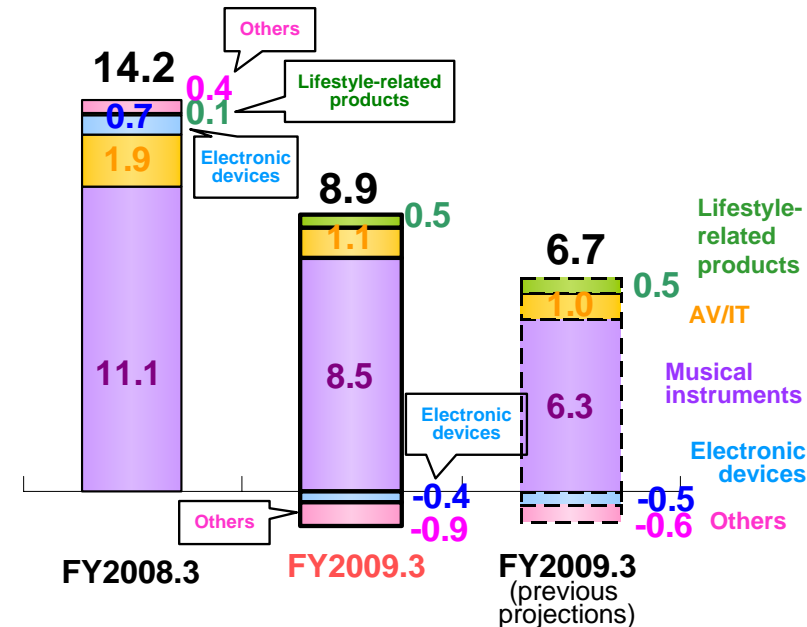
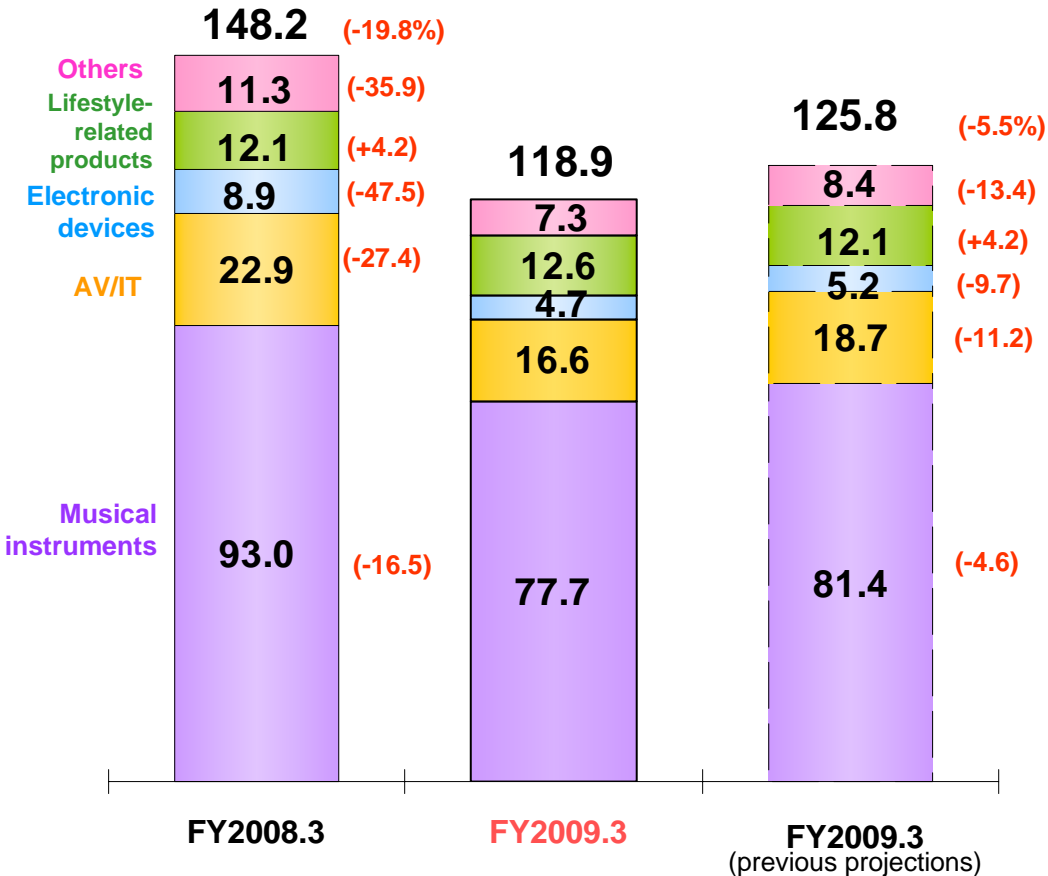
Performance by Business Segment in the Third Quarter of FY2009.3



Net Sales

Operating Income

(Billions of yen)



Figures in parentheses represent changes from the previous period or from previous projections

Impact of exchange rates

Year-on-year: -¥14.6 billion (musical instruments -¥11.5 billion, AV/IT -¥3.1 billion)

Versus previous projections: -¥0.2 billion (musical instruments -¥0.3 billion, AV/IT +¥0.1 billion)

Impact of exchange rates

Year-on-year: -¥1.1 billion (musical instruments -¥2.1 billion, AV/IT +¥1.0 billion)

Versus previous projections: +¥0.6 billion (musical instruments +¥0.7 billion, AV/IT -¥0.1 billion)

Business Environment in the Fourth Quarter of FY2009.3 and Full Year Performance Forecast



Business Environment in the Fourth Quarter

- Further deterioration in the macro economy
 - The economic slowdown that originated in the U.S. is gradually spreading to Europe and emerging markets
 - Further decline in business-to-business sales (automotive components, mobile phone chips, pachinko machine chips, etc.)
- Further rise of the yen

Fourth Quarter Overview and Priority Policies

- Downward revision of operating income in the musical instrument segment, due to declining sales and the impact of reduced production, especially of pianos.
- Previous projections for business-to-business sales have been revised sharply downward, due to falling orders in the semiconductor and parts businesses.
- Ongoing implementation of measures to improve profitability
 - Review and reduction of expenses, cost-cutting
 - Boosting of profitability through price increases, especially for musical instruments
 - Review of capital expenditure and R&D expenses
 - Thorough inventory control through reduced production

Full Year Performance Forecast

- Further downward revision of previous projections made in the second quarter.
- Tax burden will increase due to the impact of tax effect accounting, and full-year net loss is projected to be ¥2.0 billion.

Forecast for Business Performance in the Fourth Quarter of FY2009.3



➤ Fourth quarter sales and income are expected to be much lower than previous projections.

(Billions of yen)

	FY2008.3 (4Q) actual	FY2009.3 (4Q) projections	Change from FY2008.3	Previous projections (Oct. 31, 2008)	Change from previous projections
Net sales	119.9	95.6	-20.2%	111.7	-14.4%
Operating income	-2.7	-10.7	—	-5.5	—
Ordinary income	-2.7	-11.5	—	-6.0	—
Net income	-2.6	-11.3	—	-5.5	—

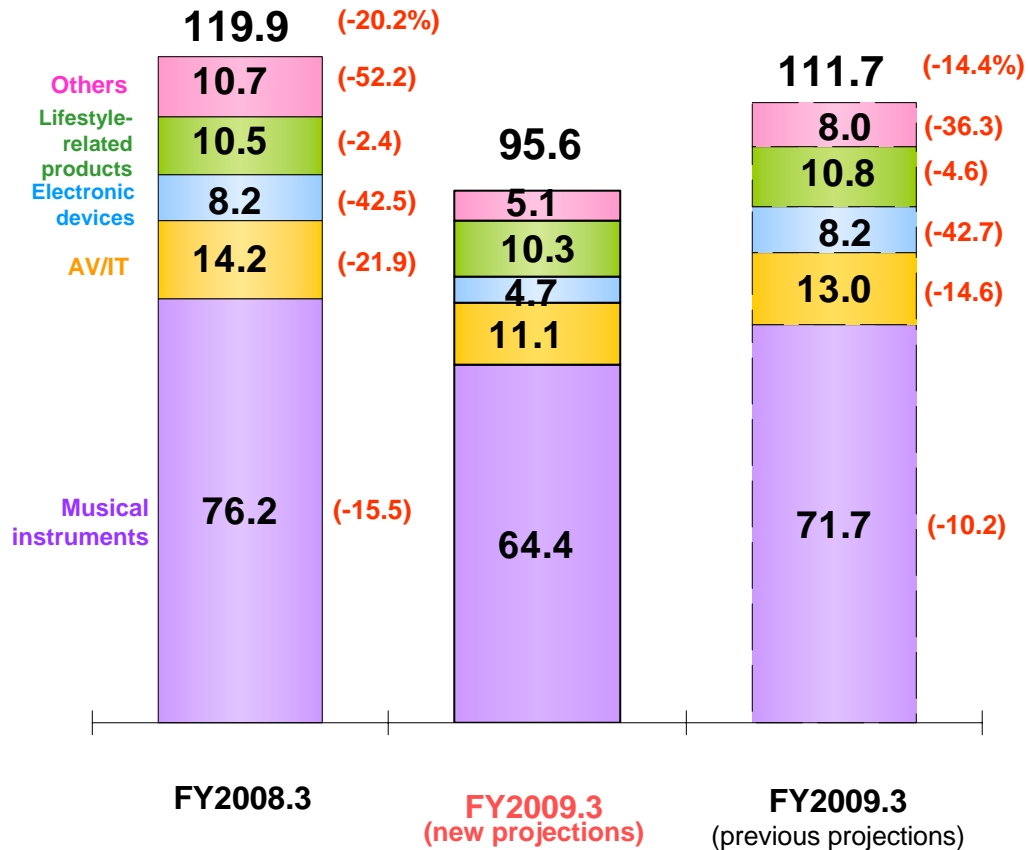
Currency exchange rates (yen)

Net sales	US\$	105	95	95
	EUR	158	120	120
Operating income	US\$	108	95	95
	EUR	159	129	132

Forecast for Performance by Business Segment in the Fourth Quarter of FY2009.3

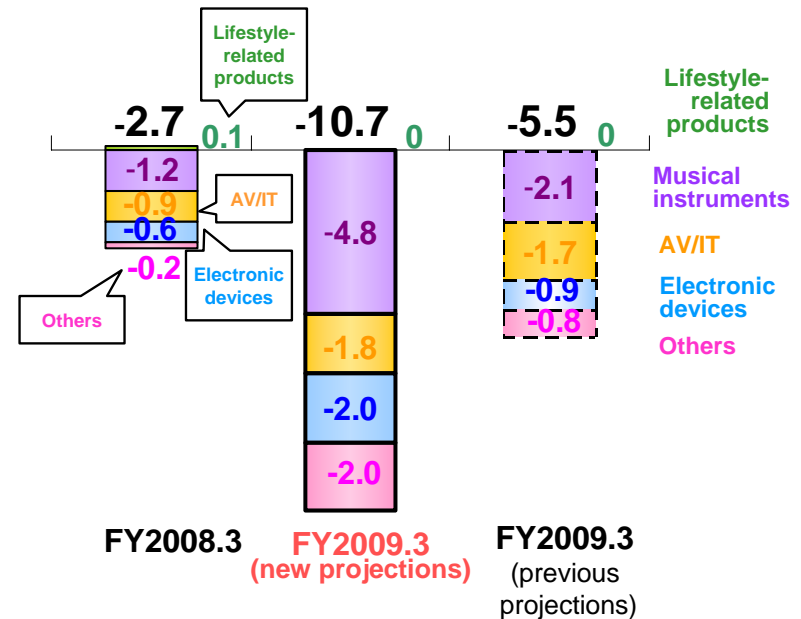


Net Sales



Operating Income

(Billions of yen)



Impact of exchange rates

Year-on-year: -¥10.0 billion (musical instruments -¥8.0 billion, AV/IT -¥2.0 billion, semiconductors -¥0.1 billion)
 Versus previous projections: -¥2.0 billion (musical instruments -¥1.7 billion, AV/IT -¥0.3 billion)

Impact of exchange rates

Year-on-year: -¥3.4 billion (musical instruments -¥3.0 billion, AV/IT -¥0.5 billion)
 Versus previous projections: -¥0.1 billion (musical instruments -¥0.2 billion)

Figures in parentheses represent changes from the previous period or from previous projections

Forecast for Performance in FY2009.3 (Full Year)

➤ Estimated 4Q exchange rates: US\$=¥95 EUR=¥120

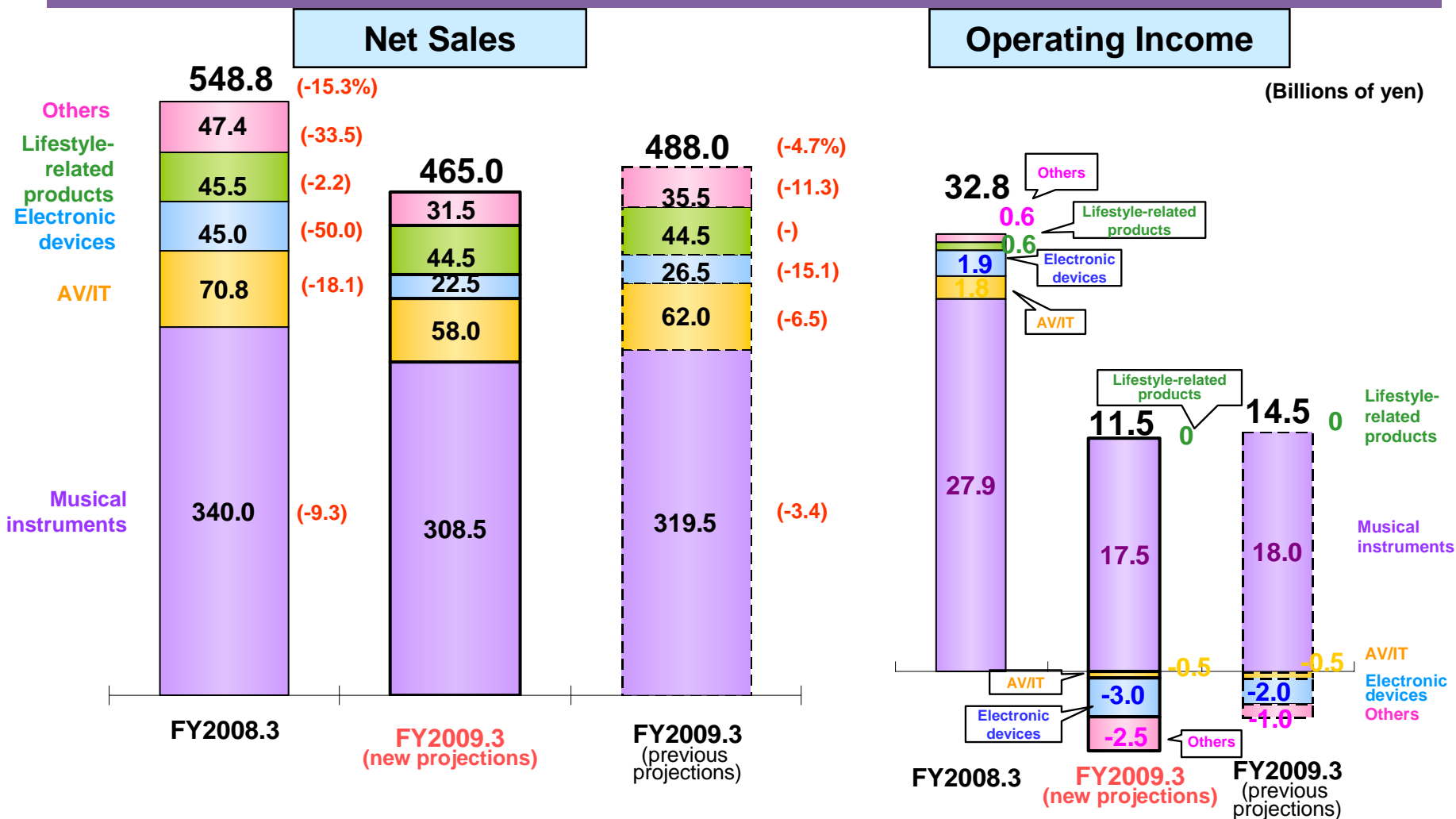
➤ Revised full year projections for sales and income are lower than previous projections. A year-end loss is predicted.

	(Billions of yen)					(%)	
	1Q-3Q actual	4Q projections	FY2009.3 (new projections)	FY2009.3 (previous projections)	FY2008.3 actual	Change from previous projections	Change from previous year results
Net sales	369.4	95.6	465.0	488.0	548.8	-4.7%	-15.3%
Operating income (Operating income ratio)	22.2 (6.0%)	-10.7	11.5 (2.5%)	14.5 (3.0%)	32.8 (6.0%)	-20.7%	-65.0%
Ordinary income (Ordinary income ratio)	21.0 (5.7%)	-11.5	9.5 (2.0%)	13.0 (2.7%)	32.6 (5.9%)	-26.9%	-70.8%
Net income (Net income ratio)	9.3 (2.5%)	-11.3	-2.0	1.5 (0.3%)	39.6 (7.2%)	—	—

Currency exchange rates (yen)

		1Q-3Q actual	4Q projections	FY2009.3 (new projections)	FY2009.3 (previous projections)	FY2008.3 actual
Net sales	US\$	103	95	101	102	114
	EUR	151	120	143	145	162
Operating income	US\$	104	95	103	101	116
	EUR	159	129	153	154	159

FY2009.3 Full Year Forecast for Performance by Business Segment



Figures in parentheses represent changes from the previous period or from previous projections

Impact of exchange rates
 Year-on-year: -¥33.7 billion (musical instruments -¥26.6 billion, AV/IT -¥6.8 billion, semiconductors -¥0.3 billion)
 Versus previous projections: -¥2.2 billion (musical instruments -¥2.0 billion, AV/IT -¥0.2 billion)

Impact of exchange rates
 Year-on-year: -¥5.3 billion (musical instruments -¥5.8 billion, AV/IT +¥0.3 billion, semiconductors +¥0.1 billion)
 Versus previous projections: +¥0.5 billion (musical instruments +¥0.5 billion, AV/IT -¥0.1 billion)

Note: FY2008.3 figures for electronic devices include electronic metal products business, which was transferred to DOWA during FY2008.3

Musical Instruments

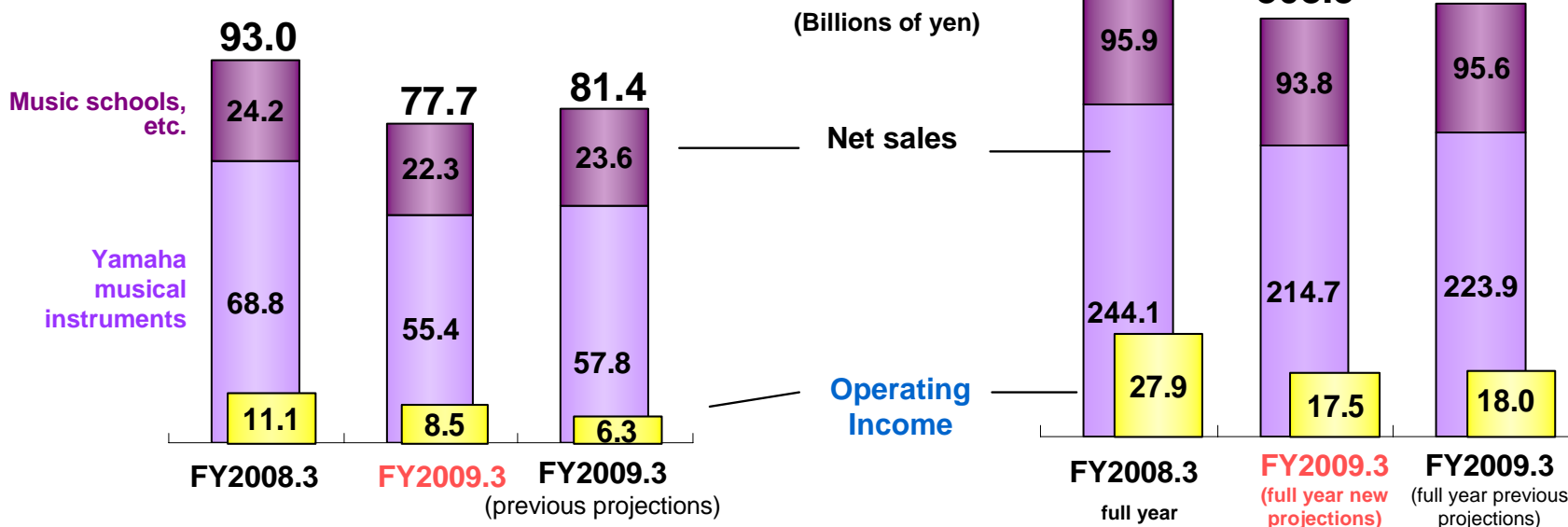


3Q Overview

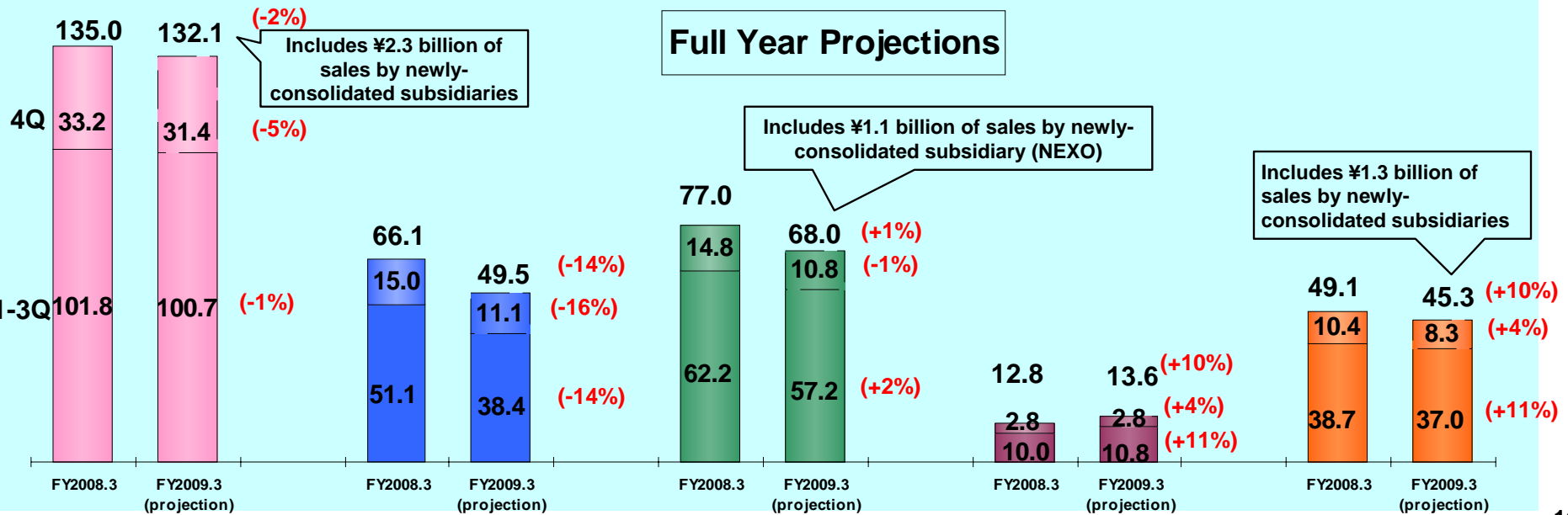
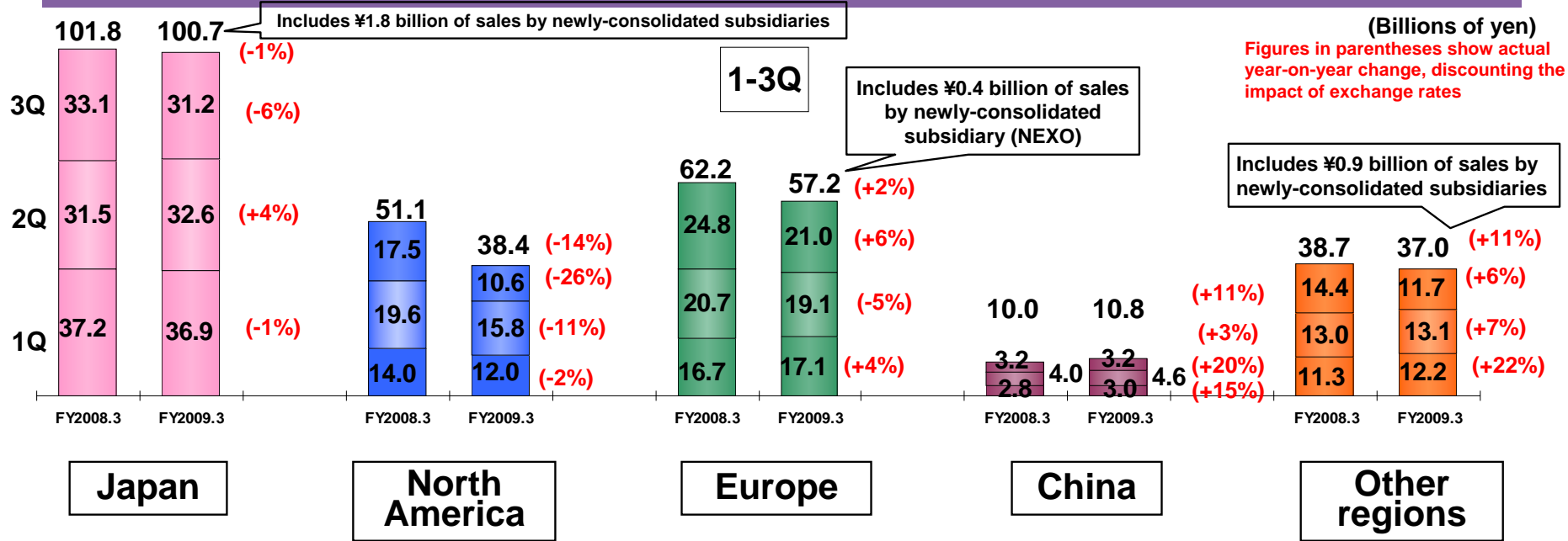
- Sales and income were lower than last year's 3Q figures. Sales were lower than previous projections, but income was higher.
- Discounting the impact of exchange rates, actual sales were down 4.1% (¥3.8 billion) on the same period of the previous year (including ¥1.5 billion of sales by newly-consolidated subsidiaries). Actual sales were 4.2% below previous projections, due to the recession in North America.
- Actual sales in the North American market decreased sharply by 26% year-on-year, chiefly due to lower piano sales. Sales in Europe increased 6% year-on-year (including ¥0.4 billion of sales by newly-consolidated subsidiaries).
- Sales continued to rise in China and other emerging markets, but the rate of increase has slowed.
- Professional audio equipment sales rose year-on-year. However, piano sales continued to struggle, especially in North America and Japan.
- Although operating income declined year-on-year, it was higher than previous projections, due to reduced expenditure and favorable exchange rates.
- Discounting the impact of exchange rates, actual inventories at the end of the third quarter were higher than the same period of the previous year and previous projections, due to sales targets not being met.

Full Year Overview and 4Q Priorities

- Full year sales and operating income are expected to be lower than previous projections.
- Discounting the impact of exchange rates and including ¥5.1 billion of sales by newly-consolidated subsidiaries, actual sales are projected to decrease 1.4% (¥4.9 billion) year-on-year.
- Improve profitability by cutting costs, reducing expenses and increasing prices.
- Adjust inventory levels, especially for pianos.
- Develop new products in a timely manner.



Musical Instruments: Sales by Region

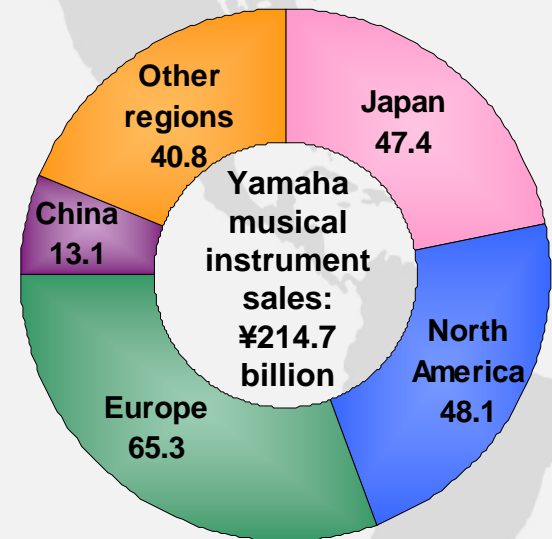


Yamaha Musical Instruments: Sales by Region



Musical Instrument Sales by Region	
Japan	Sales of large keyboard instruments, especially pianos, suffered a significant downturn. While the launch of new digital pianos will recoup some lost ground over the full year, this will not make up for depressed sales of other products.
North America	Large-ticket products such as pianos continue to struggle in the face of the housing slump and financial uncertainty, and sales deteriorated further from October onwards. While guitar sales remain generally robust, portable keyboard and synthesizer sales are slow.
Europe	Sales growth in Eastern Europe has slowed since the financial crisis, but increased sales of keyboard products marketed for the year-end sales period in October to December made up for the decline in first half sales, and results for Europe as a whole recovered to match the previous year's levels. Acoustic and digital piano sales are in line with the previous year's results, but wind instruments and synthesizers are struggling.
China	While domestic demand growth slowed due to the impact of the global financial crisis, double digit growth in musical instrument sales continued. Acoustic and digital pianos as well as guitars showed strong growth, but portable keyboards struggled. Professional audio equipment failed to meet expectations due to a drop in demand.
Other regions	While platforms for growth are being maintained in Asia and Latin America, the global economic slowdown is putting the brakes on growth. Prices are being revised to counter the effects of unfavorable exchange rates in Korea and Australia.

Yamaha Musical Instrument Sales by Region

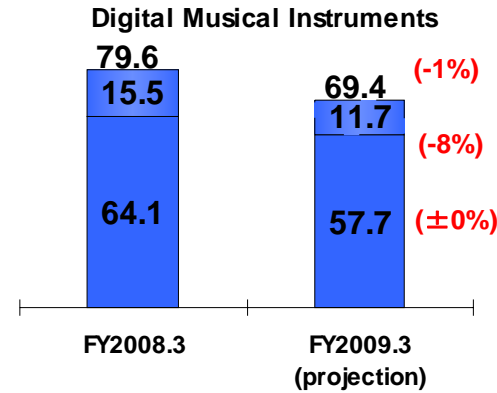
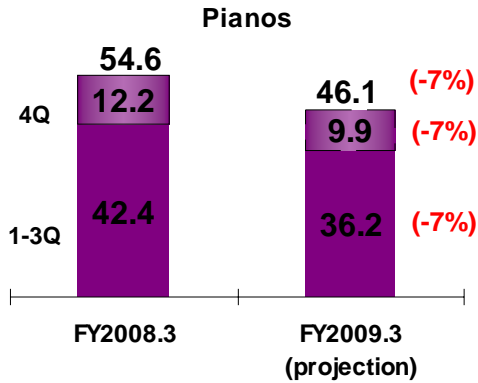


Musical Instruments: Sales by Product Category

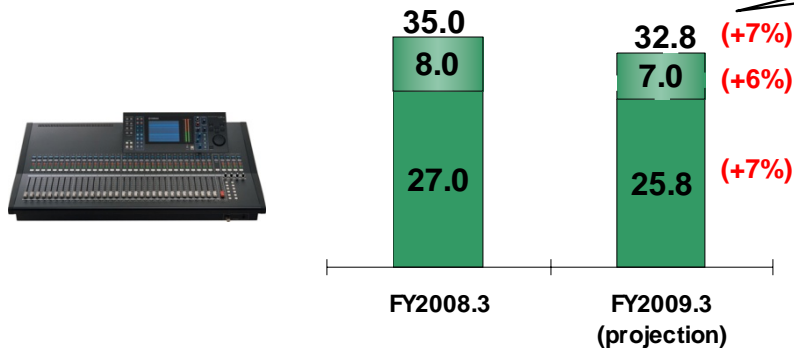


(Billions of yen)

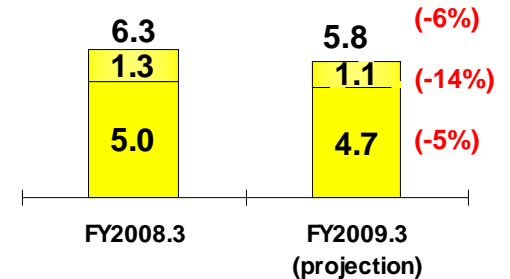
Figures in parentheses show actual year-on-year change, discounting the impact of exchange rates



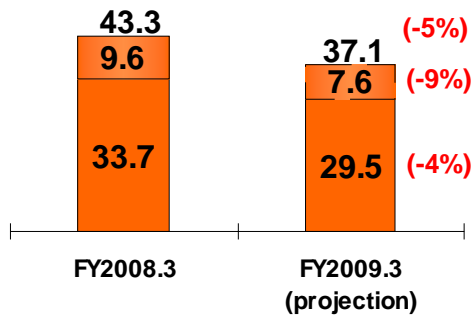
Professional Audio Equipment NEXO ¥1.4 billion



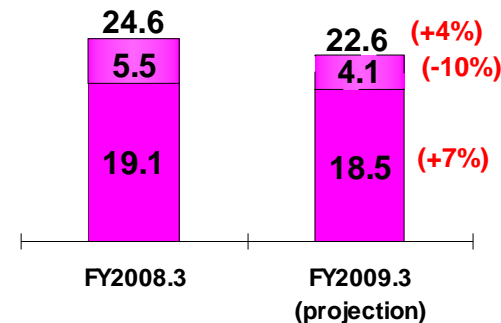
Electone™



Wind Instruments



String & Percussion Instruments



Musical Instruments: Sales by Product Category YAMAHA

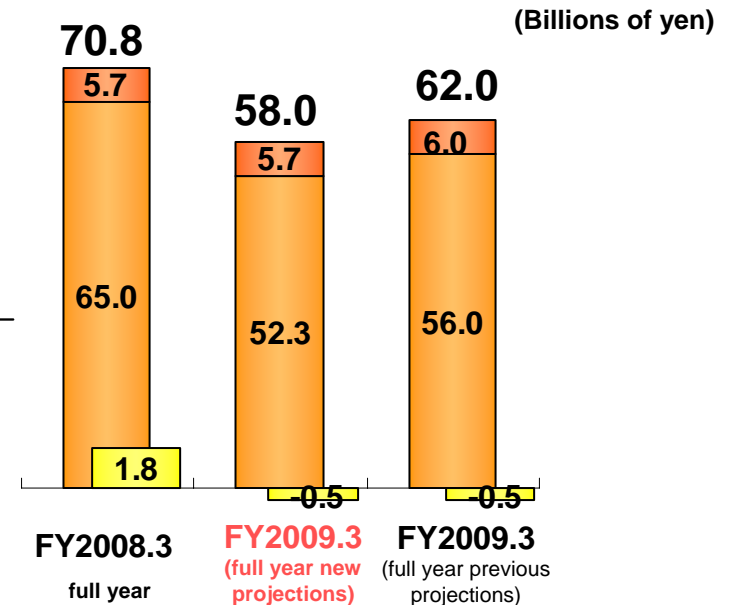
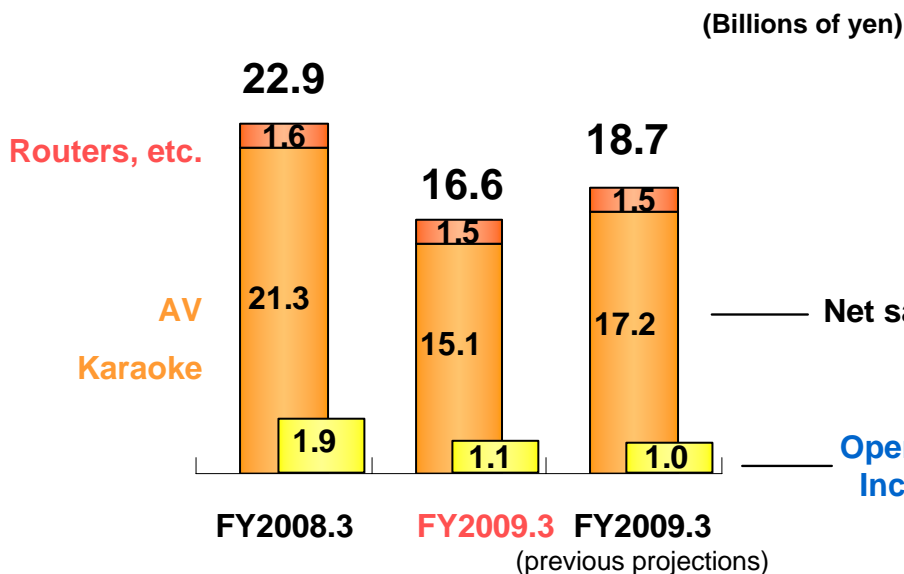
	Musical Instrument Sales by Product Category
Pianos	Demand declined sharply in the U.S. due to the housing downturn and in Japan due to sluggish consumption. Sales in Europe remain robust and the Chinese market continues to grow, but the rate of growth is slowing.
Digital musical instruments	Solid performance in Europe and the Asia Pacific region made up for a downturn in sales of digital pianos, portable keyboards and synthesizers in North America and Japan, and overall sales remained level with the same period of the previous year. However, business environment in Europe are gradually deteriorating.
Wind instruments	In North America, sales of low-priced products are slow. While sales are stagnating in Europe and Japan, those in China and the rest of Asia are growing year-on-year. Overall, low-priced products are sluggish.
Guitars/drums	Sales are robust in all regions. Acoustic guitar sales are growing in Europe, North America and Asia. Electronic drum sales are showing strong growth in North America.
Professional audio equipment	Orders are dropping both in numbers and size amid the economic slowdown, and this is also affecting sales of key digital mixer products. Although sales of output products such as amplifiers and speakers are increasing, overall sales are declining. Portable PA systems and other long-selling products aimed at the musical instrument market are robust.

3Q Overview

- Sales and income declined year-on-year. Sales were lower than previous projections, but income was higher.
- Discounting the impact of exchange rates, actual sales decreased 14.0% (¥3.2 billion) year-on-year.
- Actual sales in North America and Europe fell by double-digit figures compared to the same period of the previous year.
- Operating income was down year-on-year due to reduced sales. However, income was slightly higher than previous projections, due to factors including reduced expenses.
- Discounting the impact of exchange rates, actual inventory at the end of the third quarter increased slightly from the same period of the previous year.

Full Year Overview and 4Q Priorities

- Further downward revision of full year sales projections. The projected operating loss remains unchanged, at ¥0.5 billion.
- Discounting the impact of exchange rates, actual sales are projected to decline 8.5% (¥6.0 billion) year-on-year.
- Strengthen and expand front surround systems.
- Conduct smooth market launch of new mainstream consumer products and desktop audio products such as iPod dock speakers.
- Continue to raise awareness of conferencing systems and develop sales channels.



Electronic Devices

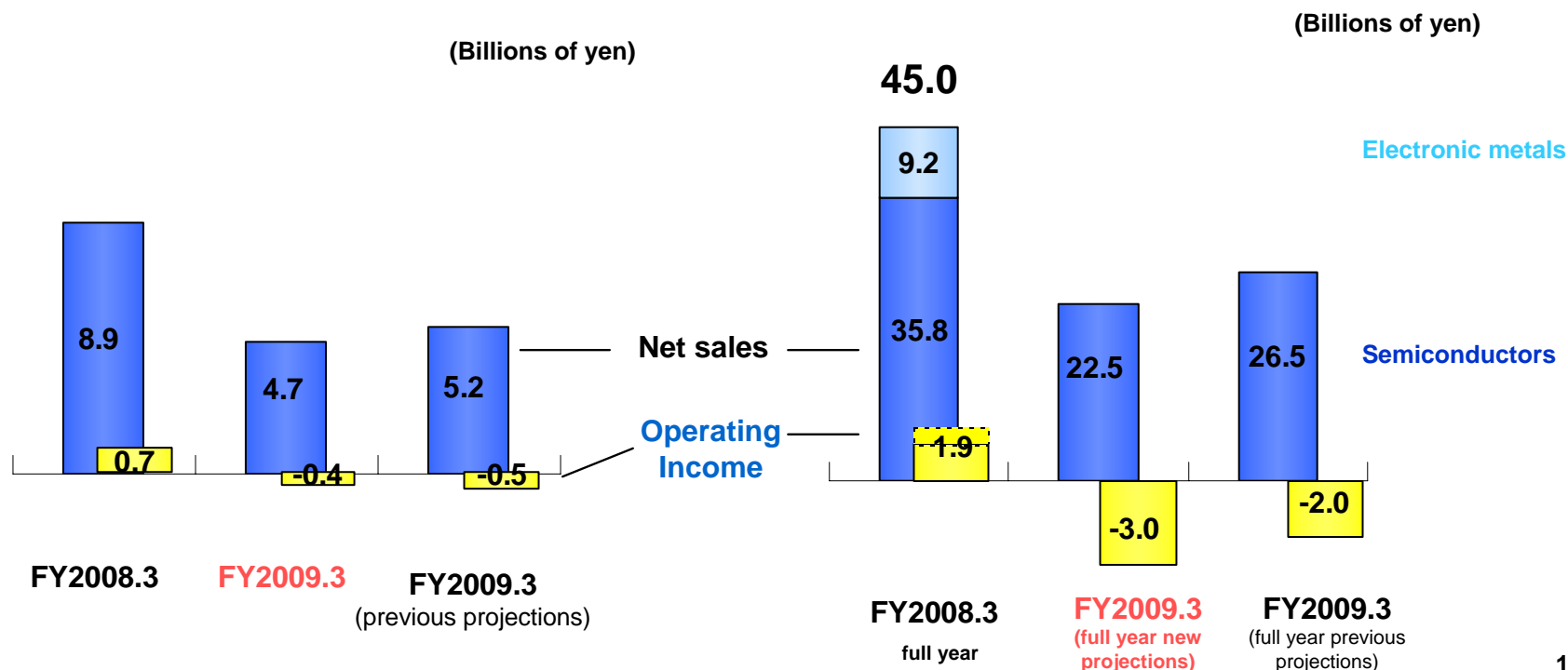


3Q Overview

- Sales and income decreased year-on-year, and sales were lower than previous projections.
- Demand for LSI sound chips for mobile phones contracted further, due to falling mobile phone sales in Japan. A sluggish market also led to lower demand for pachinko-related products.
- Inventories at the end of the third quarter were at higher level, due to sales targets not being met.

Full Year Overview and 4Q Priorities

- Further downward revision of full year sales and operating income projections – key factors behind this are falling demand for LSI sound chips for mobile phones and LSI sound chips for pachinko-related products.
- Control inventory through production adjustments.
- Expand digital amplifier LSI sales.



Lifestyle-Related Products



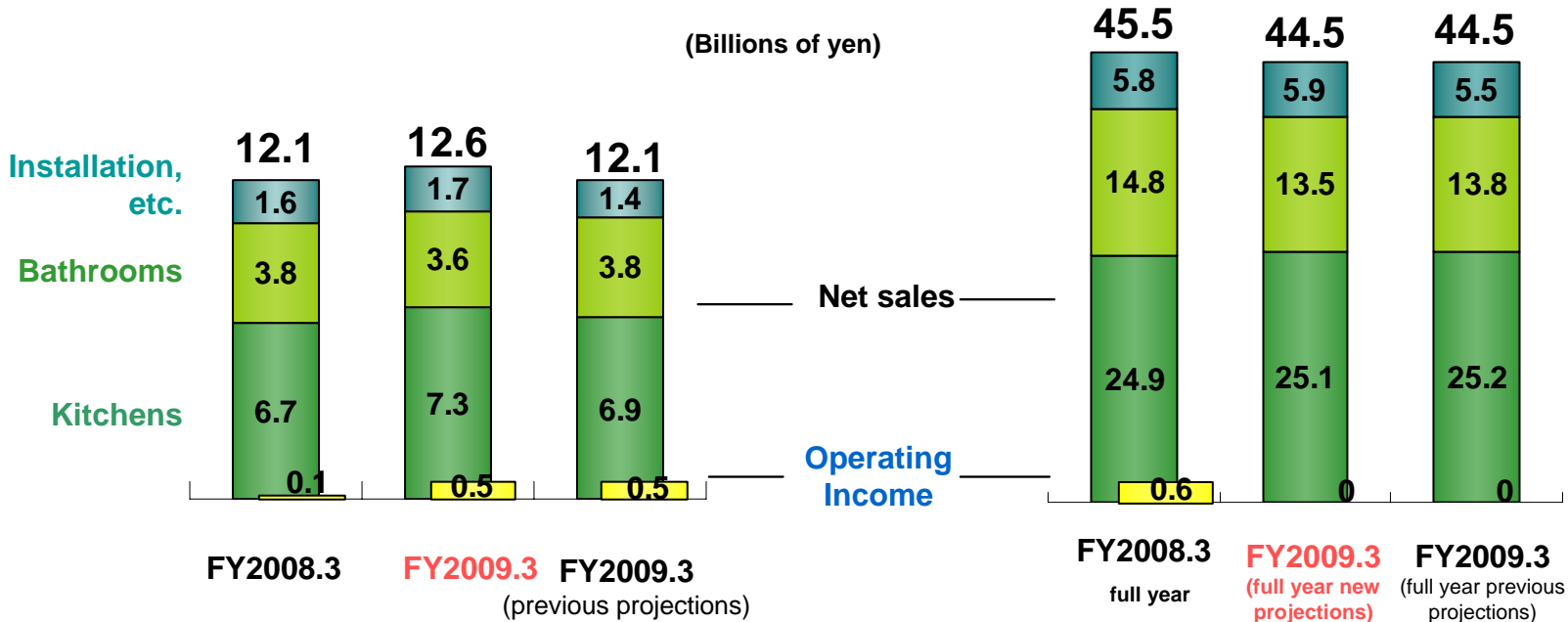
3Q Overview

- Sales and income increased year-on-year, due to a rise in new housing starts and a rush in demand resulting from tax breaks on housing loans. Sales were also higher than previous projections.
- In remodeling business, which was expected to perform well, 1-3Q (Apr-Dec) sales ratio remained at 22%, broadly in line with figures for the same period of the previous year.
- Third quarter (Oct-Dec) system kitchen sales rose year-on-year and exceeded previous projections. However, system bathroom sales were lower than the same period of the previous year and previous projections.

Full Year Overview and 4Q Priorities

- Full year projections for sales and operating income remain unchanged.
- Continue to reinforce remodeling business through development of sales channels and enhancement of showrooms.
- Expand system kitchen sales by promoting appeal of artificial marble products, a Yamaha strength.
- Further cut production costs by reducing expenses, seeking lower materials prices, and streamlining manufacturing processes.

(Billions of yen)

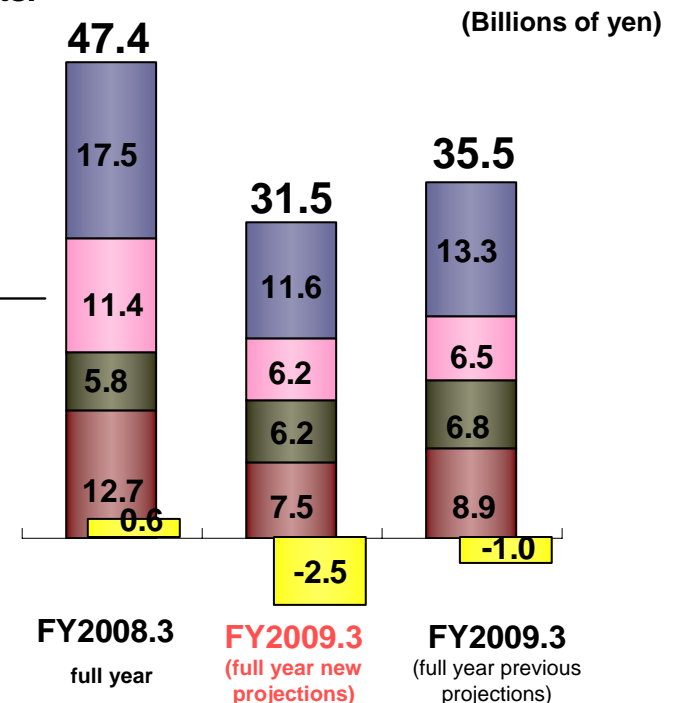
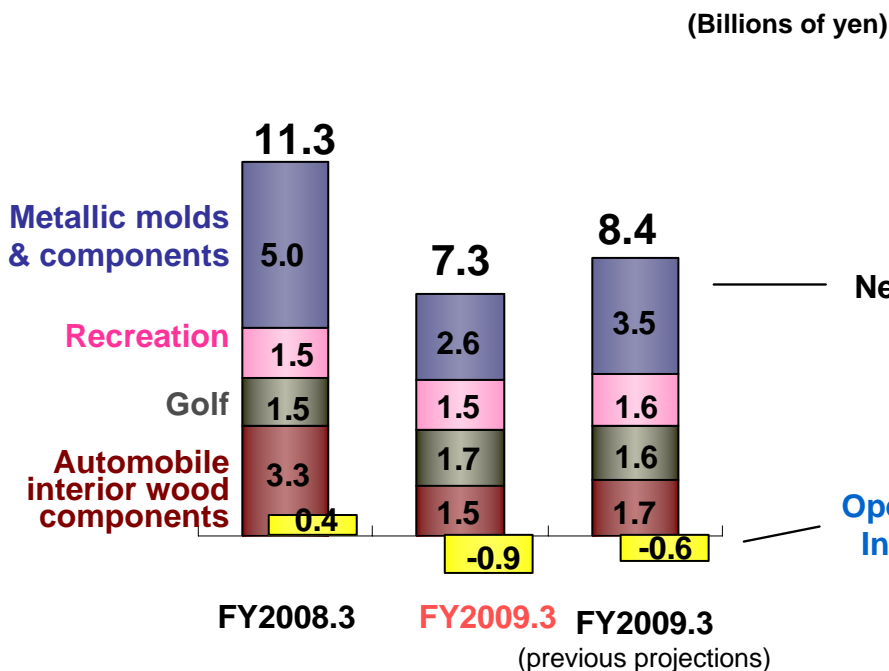


3Q Overview

- Sales and income were lower than last year's 3Q figures and previous projections.
- Due to drastically decreased production by finished product manufacturers, sales of automobile interior wood components and magnesium molded parts declined sharply year-on-year. Sales of these products were also lower than previous projections.
- Although sales of golf products exceeded previous projections, they are tapering off as business confidence declines.

Full Year Overview and 4Q Priorities

- Further downward revision of full year forecasts for automobile interior wood components, magnesium molded parts and factory automation products, due to further decline in orders from finished product manufacturers.
- Lower the break-even point for automobile interior wood components. For magnesium molded parts, focus on reducing manufacturing costs by improving yields.
- Aim for improved profitability in the recreation business by attracting more customers and making cost reduction efforts.

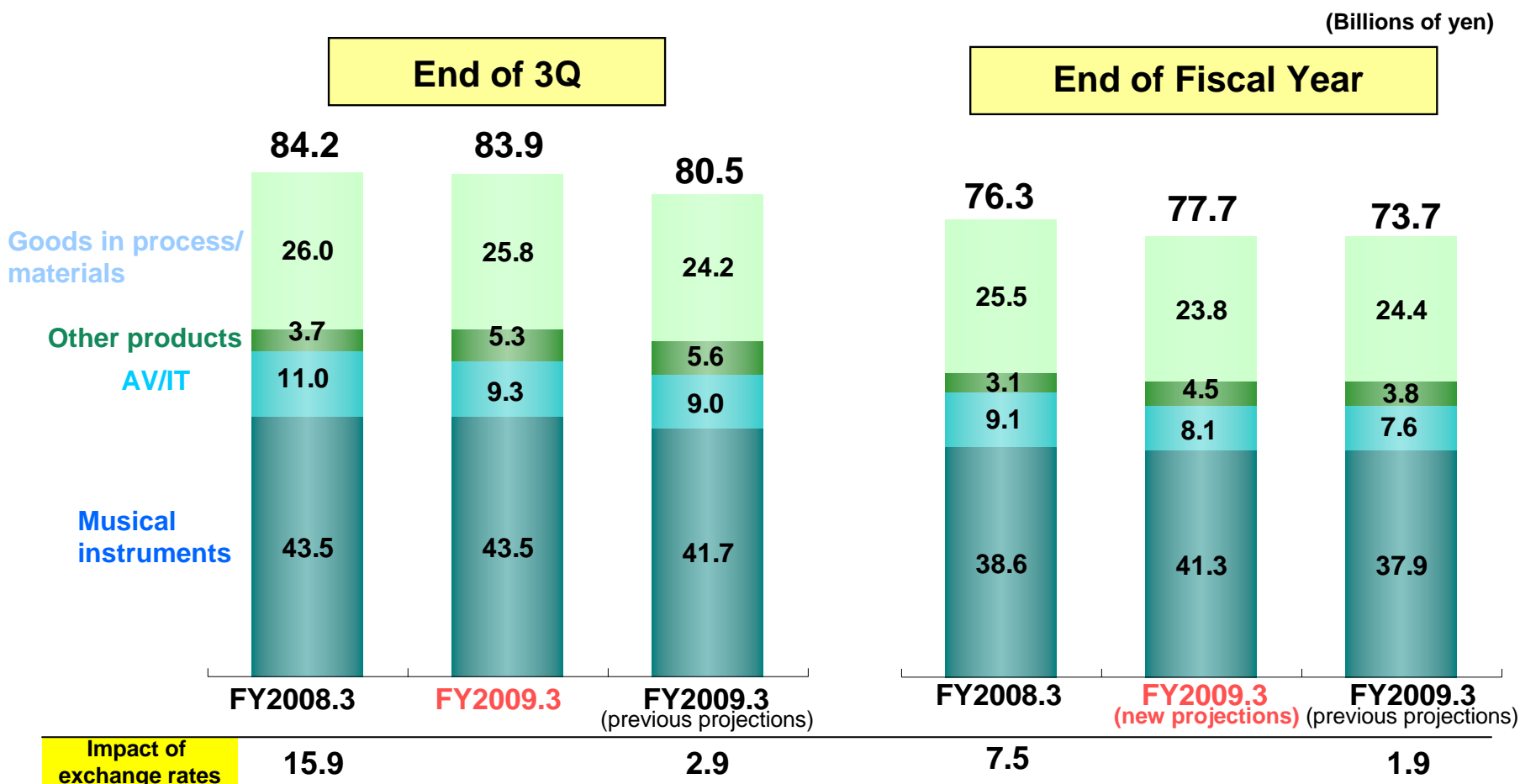


Inventories



➤ Inventories at the end of December were at the same level as the previous year, but discounting the impact of exchange rates actual inventories rose by ¥15.6 billion mainly in musical instruments and semiconductors. Discounting the impact of exchange rates, actual inventories were ¥6.3 billion higher than previous projections.

➤ Actual inventories at March 31, 2009 are projected to be ¥8.9 billion higher than at the previous fiscal year-end.

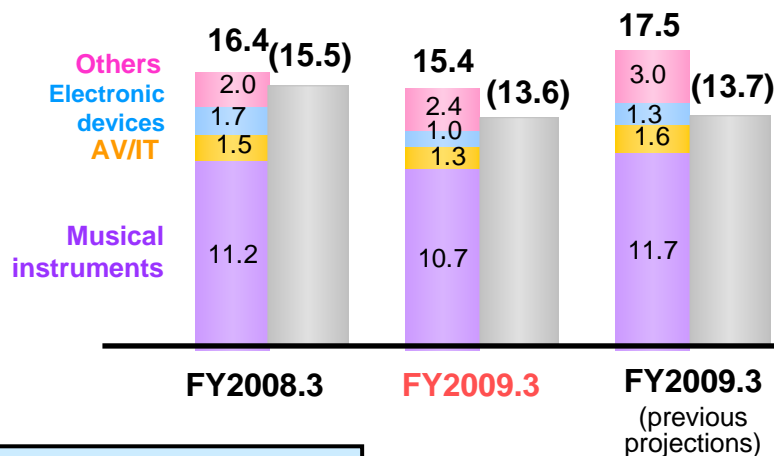


Capital Expenditure/Depreciation/R&D Expenses

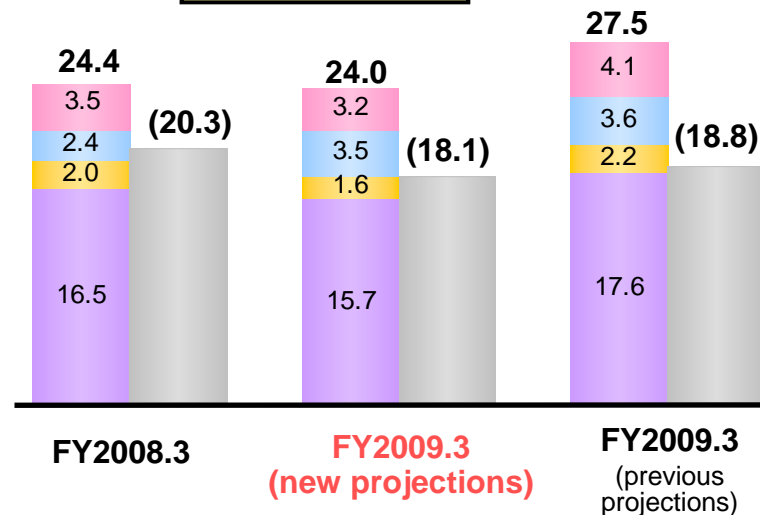
(Billions of yen)

Capital Expenditure (Depreciation)

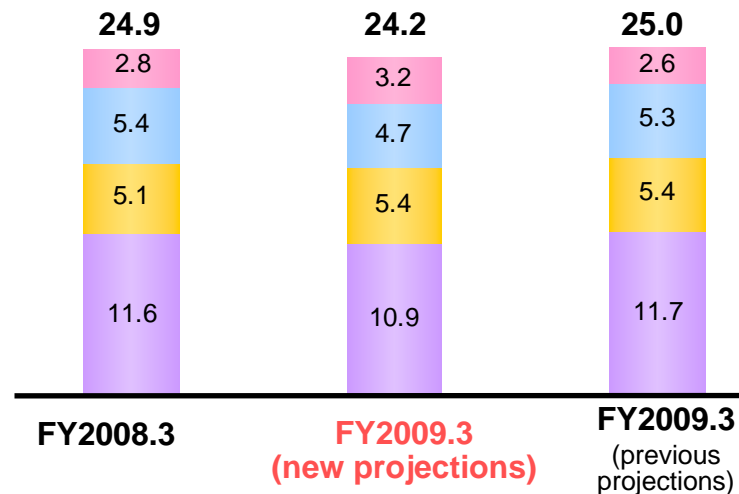
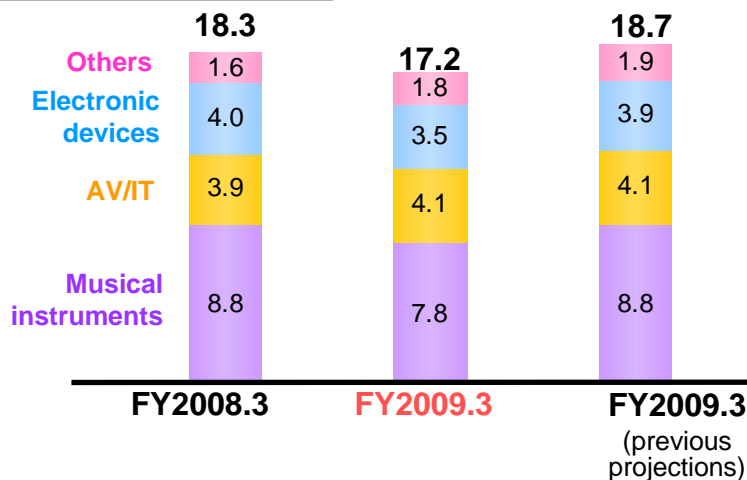
1-3Q



Full Year



R&D Expenses



Note: FY2008.3 figures for electronic devices include electronic metal products business, which was transferred to DOWA during FY2008.3

Balance Sheet Summary Forecast



	As of end of 3Q			Full year		
	As of Dec. 31, 2007	As of Dec. 31, 2008	Change	As of Mar. 31, 2008	As of Mar. 31, 2009	Change
Cash and deposits	101.9	43.8	-58.1	104.0	36.7	-67.3
Notes and accounts receivable	85.1	66.0	-19.1	65.1	59.5	-5.6
Inventories	84.2	83.9	-0.3	76.3	77.7	1.4
Other current assets	30.4	30.9	0.5	30.3	29.9	-0.4
Fixed assets	304.2	223.5	-80.7	264.6	226.7	-37.9
Total assets	605.8	448.1	-157.7	540.3	430.5	-109.8
Notes and accounts payable	38.3	30.9	-7.4	35.0	26.7	-8.3
Short- and long-term loans	30.5	27.9	-2.6	21.0	21.3	0.3
Resort membership deposits	17.6	16.9	-0.7	17.0	16.9	-0.1
Other liabilities	138.9	92.4	-46.5	124.3	98.7	-25.6
Total net assets	380.5	280.0	-100.5	343.0	266.9	-76.1
Total liabilities and net assets	605.8	448.1	-157.7	540.3	430.5	-109.8

Note: Balance of cash and deposits includes negotiable certificates of deposit.

Appendix

Third Quarter Non-Operating Income/Loss & Extraordinary Income/Loss



	FY2008.3 (3Q) actual	FY2009.3 (3Q) actual	FY2009.3 (3Q) (previous projections)
(Billions of yen)			
Non-operating income/loss			
Net financial income	0	0.1	0
Other	-0.5	-1.3	-1.0
Total	-0.5	-1.2	-1.0
Extraordinary income/loss			
Income from (loss on) disposal of fixed assets	0.2	-0.1	-0.1
Other	2.1	-0.2	0
Total	+ 2.3	-0.3	-0.1
Gain on sales of investment securities 2.6			
Income taxes and other expenses			
Income taxes - current	-10.7	-0.1	-0.1
Income taxes - deferred	15.1	2.4	3.0
Minority interests in income	0.2	0.1	0.1
Total	4.6	2.4	3.0

Full-Year Non-Operating Income/Loss & Extraordinary Income/Loss

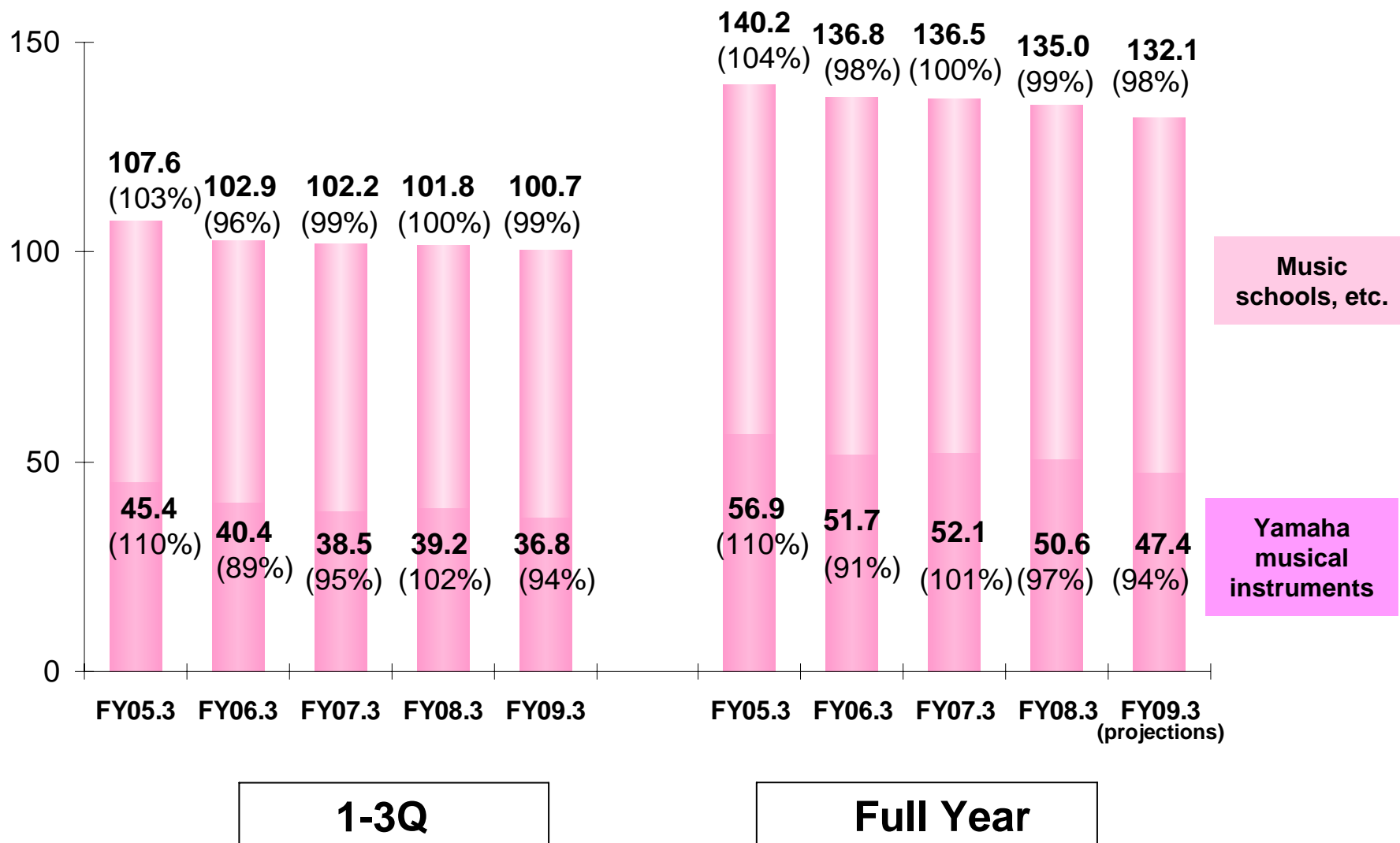


	FY2008.3 actual	FY2009.3 (new projections)	FY2009.3 (previous projections)
(Billions of yen)			
Non-operating income/loss			
		<ul style="list-style-type: none"> • Yamaha Motor Co., Ltd. dividend 1.7 	<ul style="list-style-type: none"> • Yamaha Motor Co., Ltd. dividend 1.1
Net financial income	2.9	2.0	2.4
Other	-3.1	-4.0	-3.9
Total	-0.2	-2.0	-1.5
Extraordinary income/loss			
		<ul style="list-style-type: none"> • Gain on sale of shares in Yamaha Motor Co., Ltd. 27.8 • Special retirement allowances -0.8 	
Income from (loss on) disposal of fixed assets	0.8	-0.7	-0.7
Other	29.1	-0.3	0.2
Total	+29.9	-1.0	-0.5
Income taxes and other expenses			
Income taxes - current	17.5	3.3	4.4
Income taxes - deferred	4.7	7.1	6.3
Minority interests in income	0.7	0.1	0.3
Total	22.9	10.5	11.0

Yamaha Musical Instrument and Professional Audio Equipment Sales in the Japanese Market



(Billions of yen)

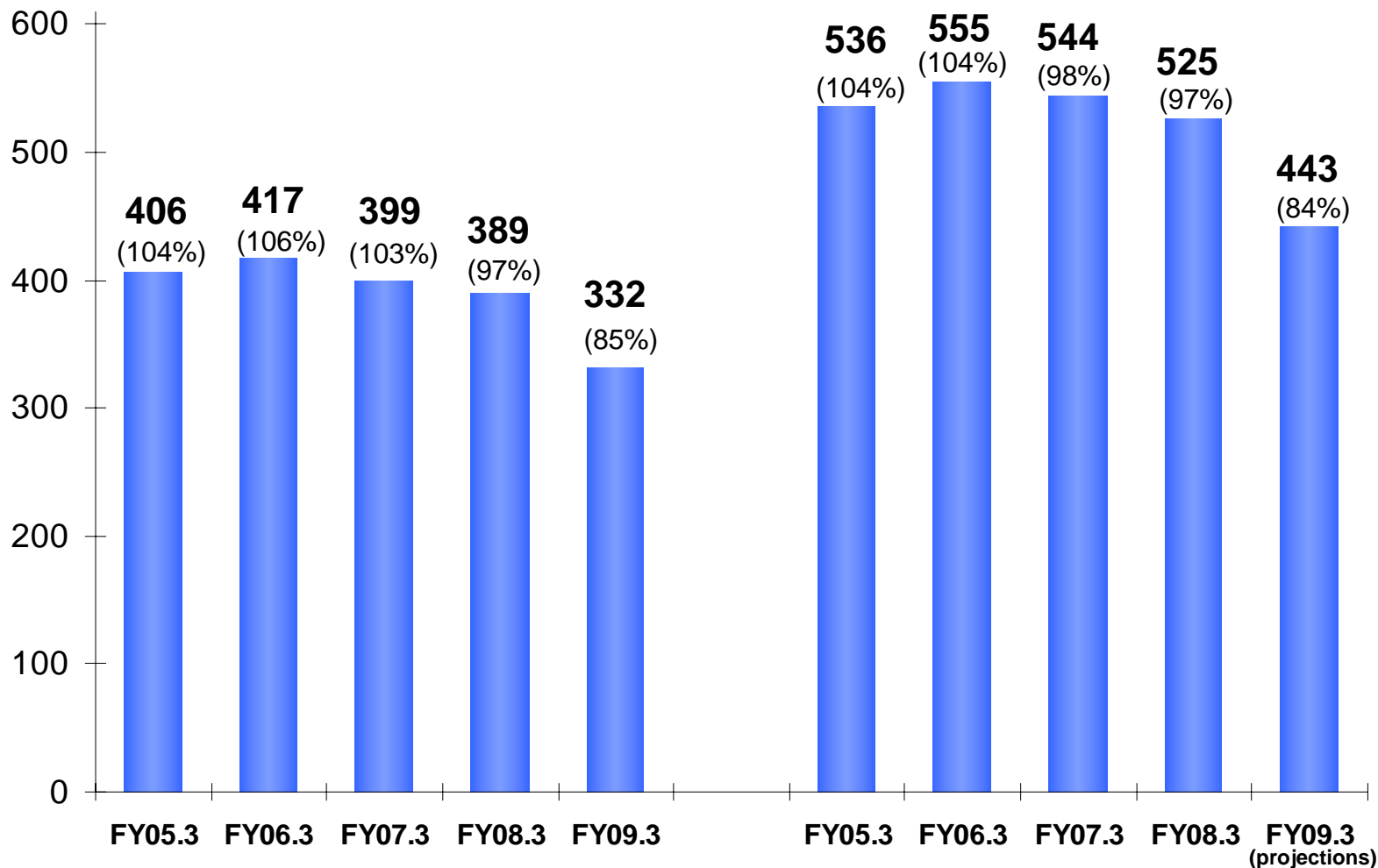


Figures in parentheses are year-on-year comparisons

Yamaha Musical Instrument and Professional Audio Equipment Sales in the U.S. Market



(Millions of US\$)



1-3Q

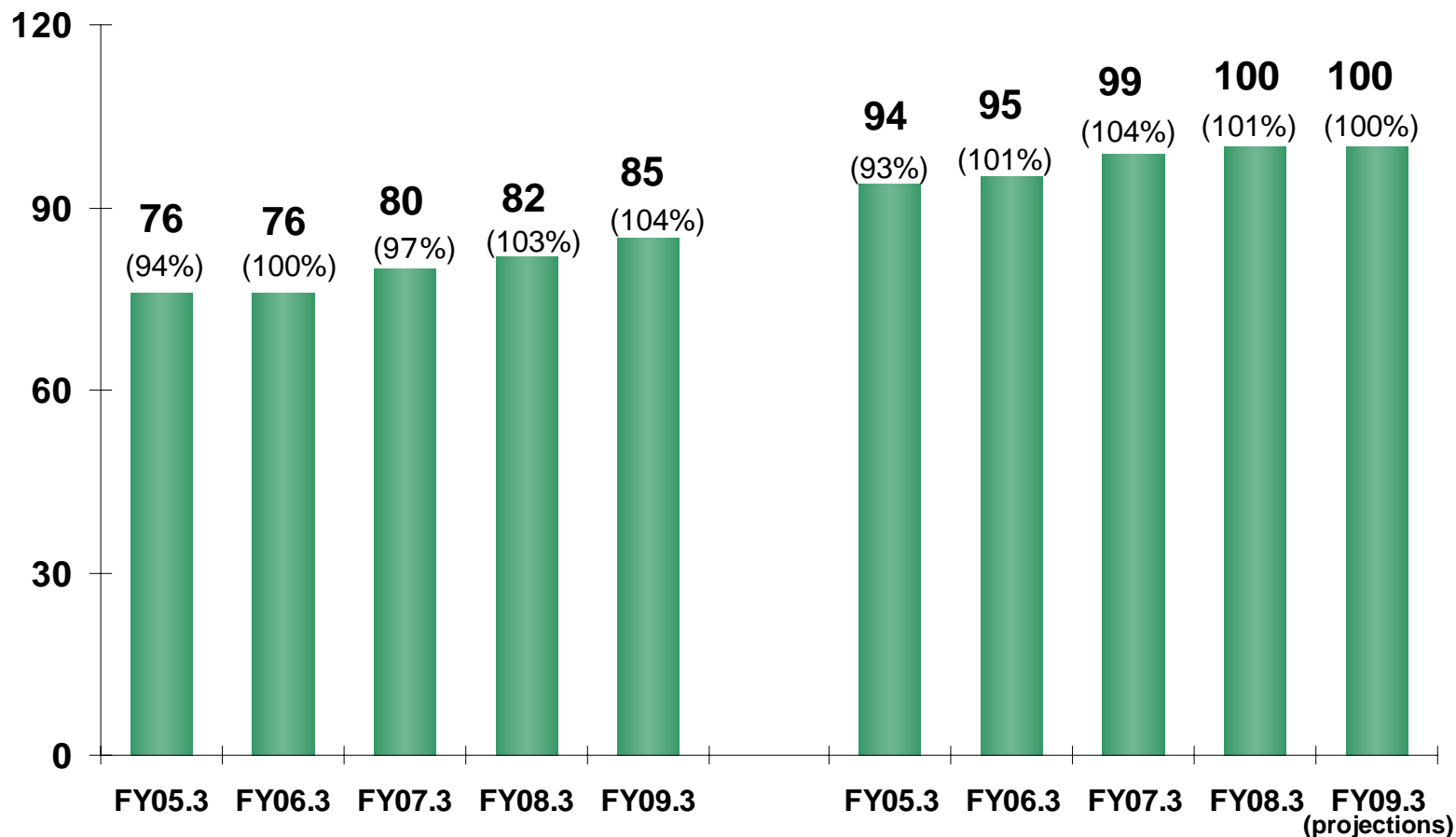
Full Year

Figures in parentheses are year-on-year comparisons

Yamaha Musical Instrument and Professional Audio Equipment Sales in the German Market



(Millions of euro)



1-3Q

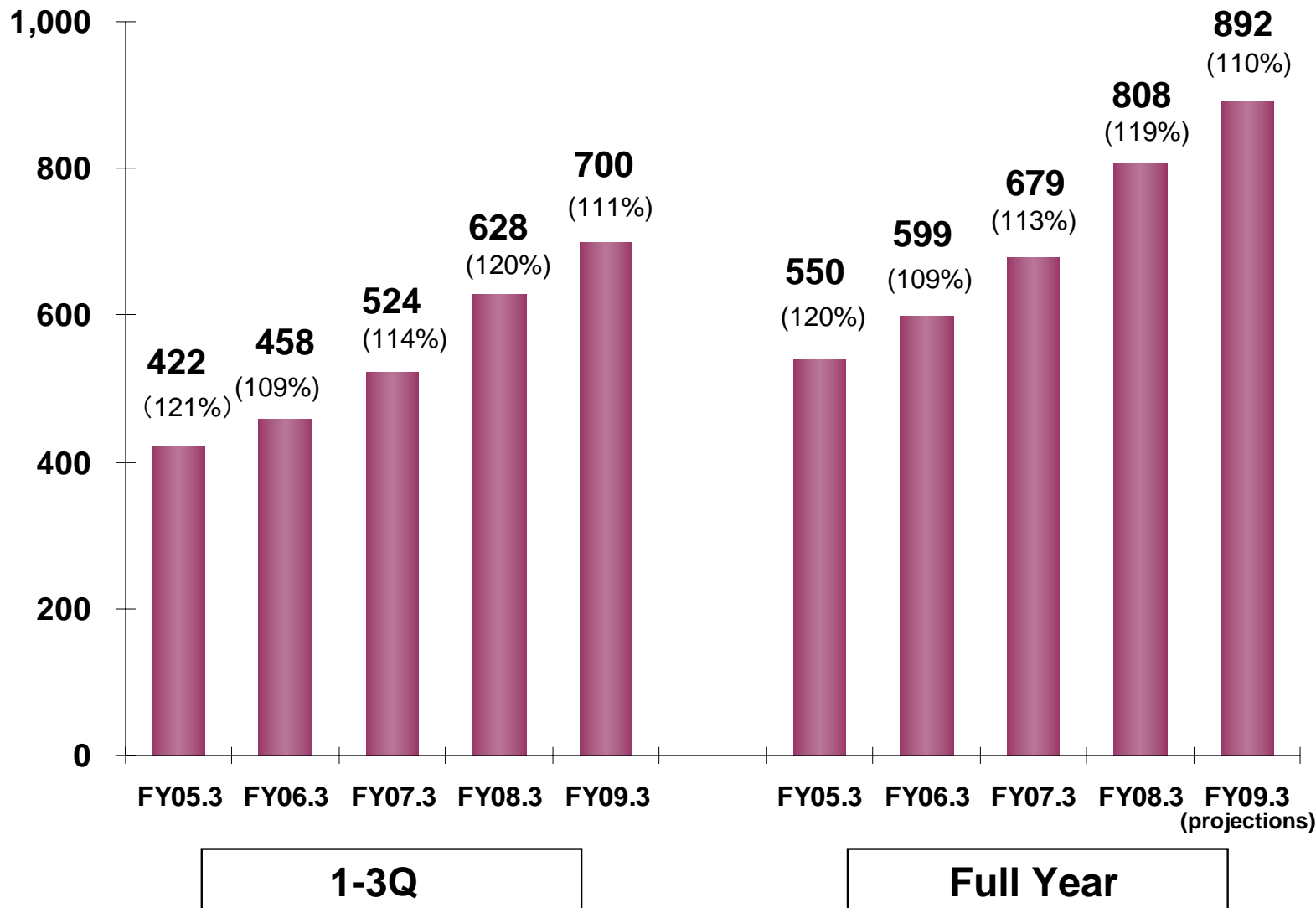
Full Year

Figures in parentheses are year-on-year comparisons

Yamaha Musical Instrument and Professional Audio Equipment Sales in the Chinese Market



(Millions of yuan)



Figures in parentheses are year-on-year comparisons

Musical Instruments: Sales and Income by Quarter

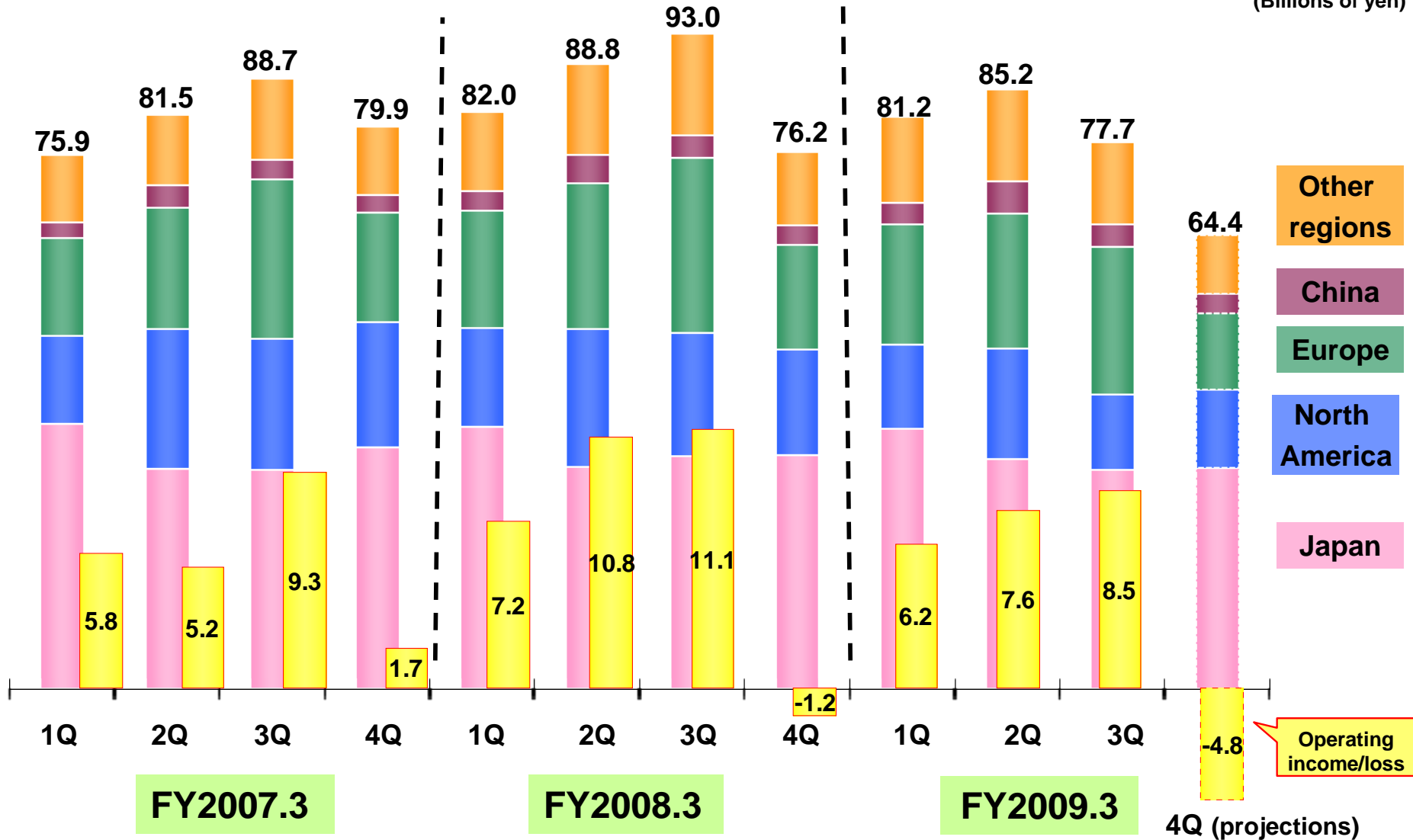


Net Sales: ¥326.0 billion
Operating Income: ¥22.0 billion

Net Sales: ¥340.0 billion
Operating Income: ¥27.9 billion

Net Sales: ¥308.5 billion
Operating Income: ¥17.5 billion

(Billions of yen)



AV/IT: Sales and Income by Quarter

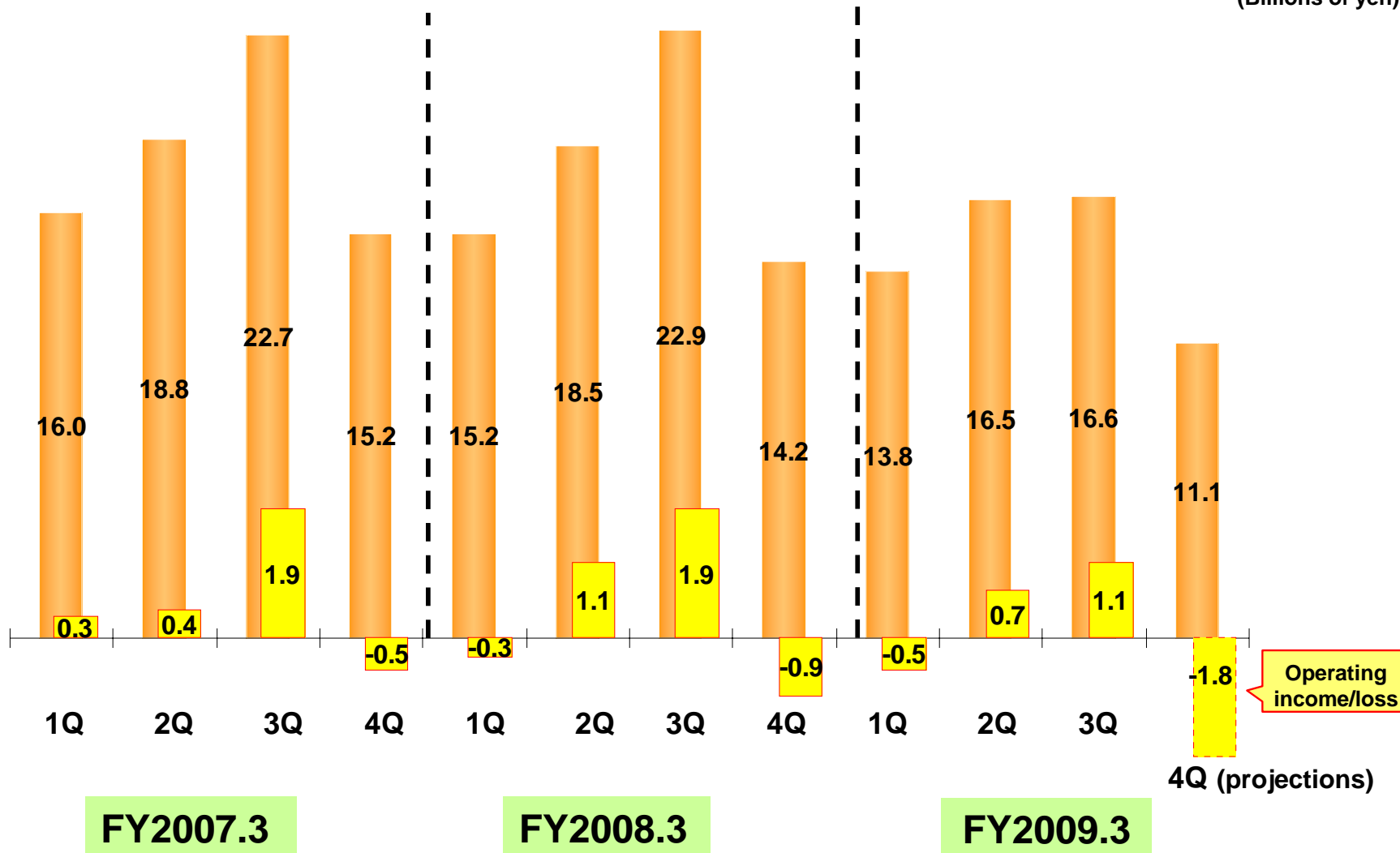


Net Sales: ¥72.8 billion
Operating Income: ¥2.1 billion

Net Sales: ¥70.8 billion
Operating Income: ¥1.8 billion

Net Sales: ¥58.0 billion
Operating Income: -¥0.5 billion

(Billions of yen)



Electronic Devices: Sales and Income by Quarter

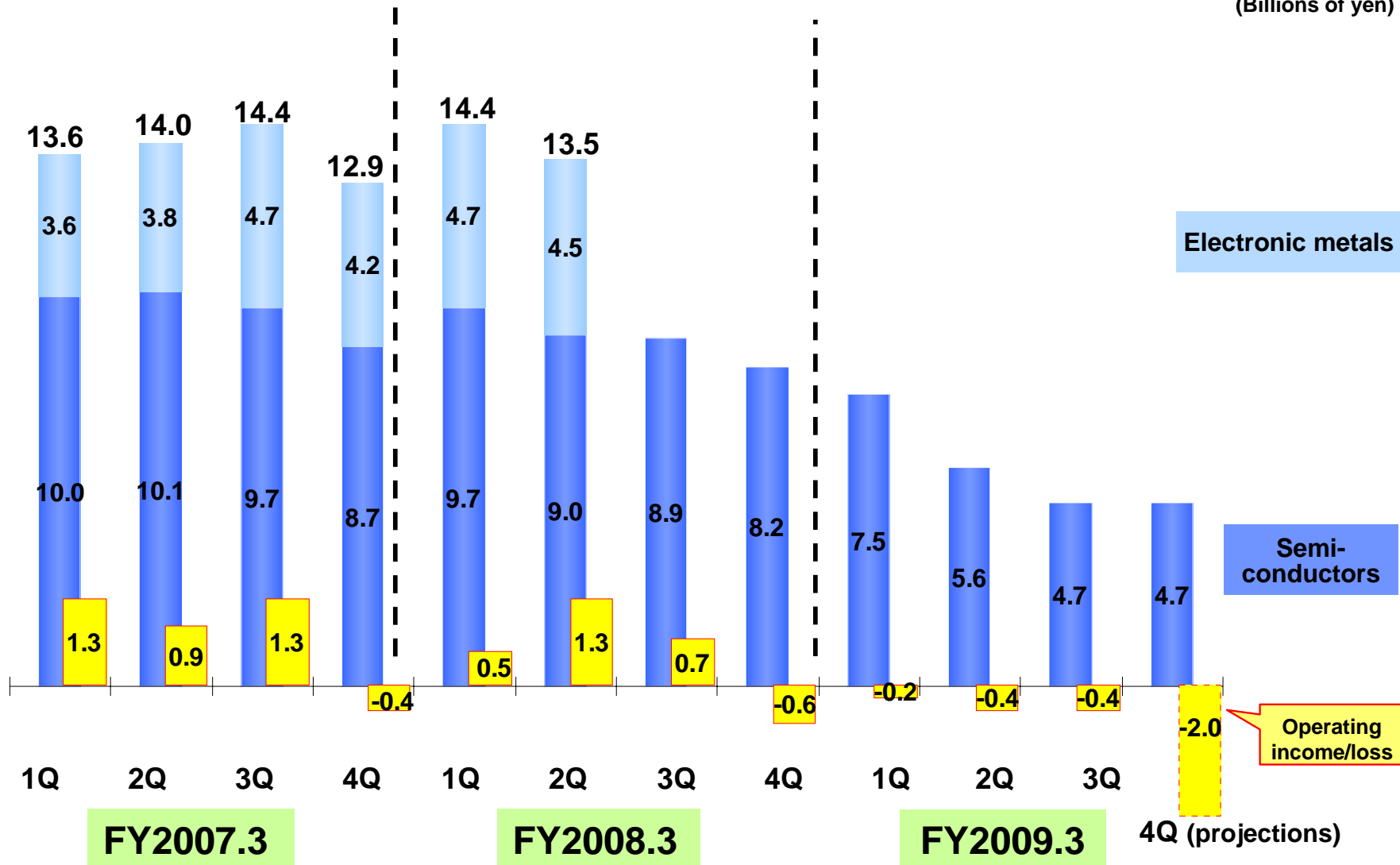


Net Sales: ¥54.8 billion
Operating Income: ¥3.1 billion

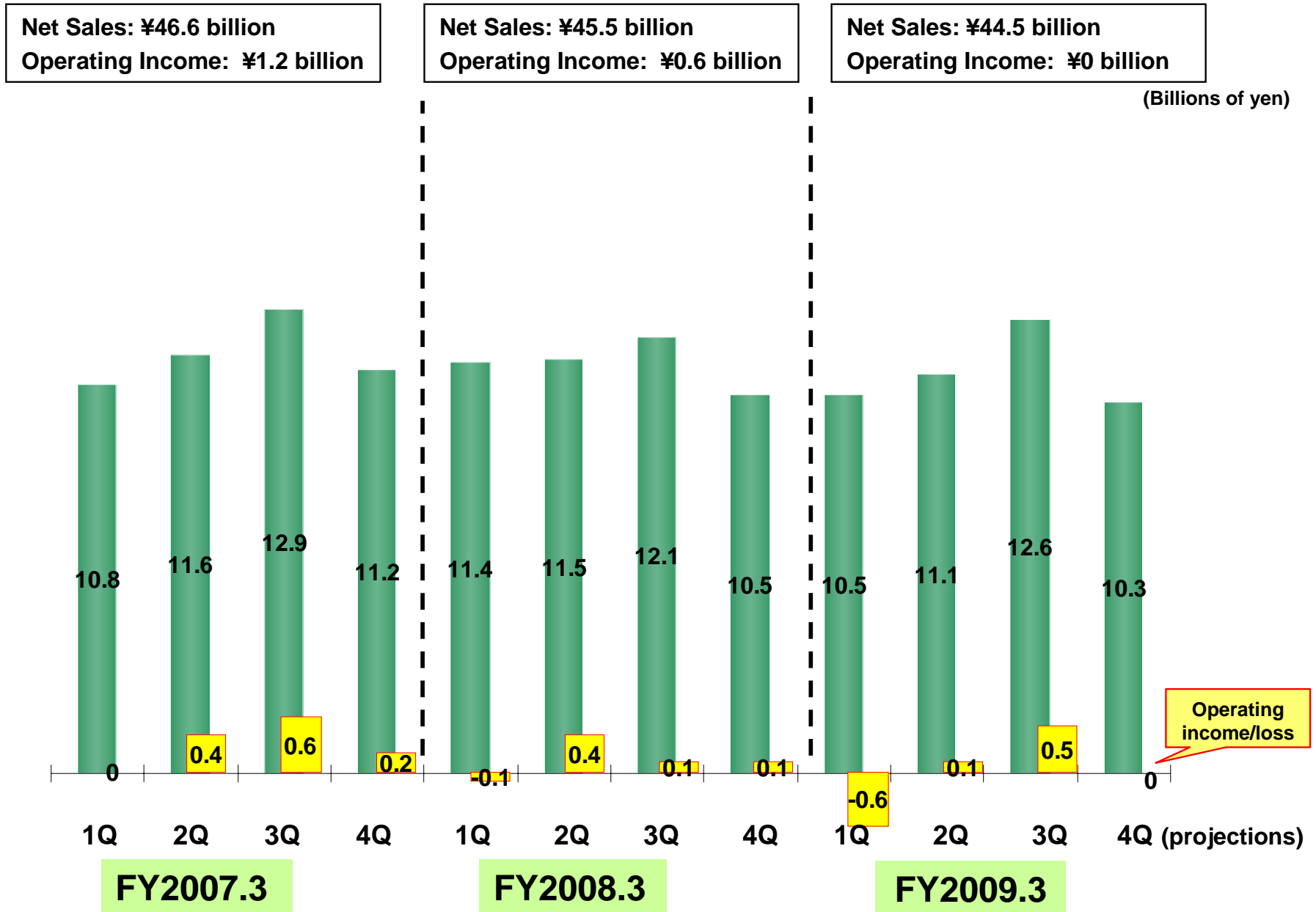
Net Sales: ¥45.0 billion
Operating Income: ¥1.9 billion

Net Sales: ¥22.5 billion
Operating Income: -¥3.0 billion

(Billions of yen)



Lifestyle-Related Products: Sales and Income by Quarter



Others: Sales and Income by Quarter

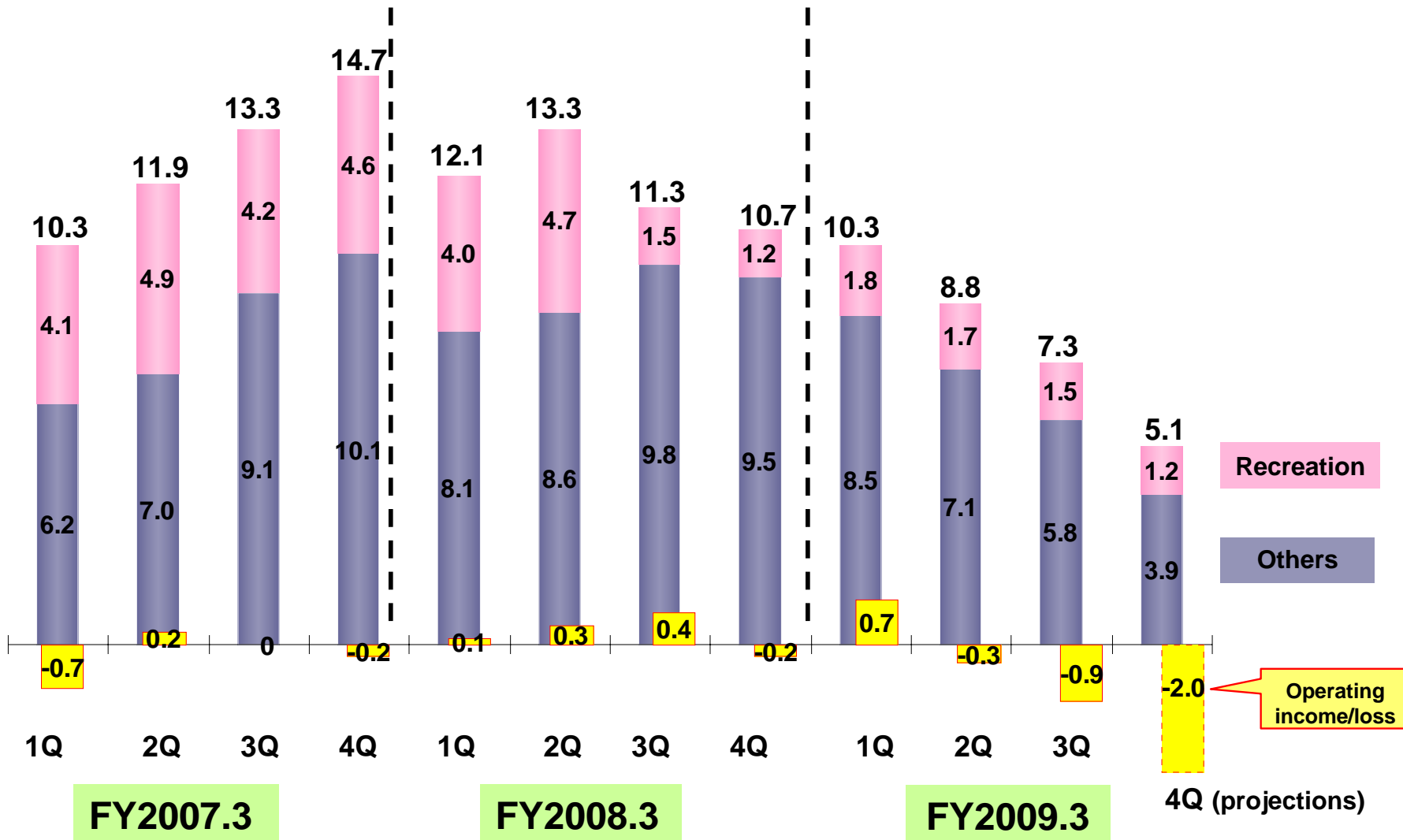


Net Sales: ¥50.2 billion
Operating Income: -¥0.7 billion

Net Sales: ¥47.4 billion
Operating Income: ¥0.6 billion

Net Sales: ¥31.5 billion
Operating Income: -¥2.5 billion

(Billions of yen)



In this report, the figures forecast for the Company's future performance have been calculated on the basis of information currently available to Yamaha and the Yamaha Group. Forecasts are, therefore, subject to risks and uncertainties.

Accordingly, actual performance may differ greatly from our predictions depending on changes in the economic conditions surrounding our business, demand trends, and the value of key currencies, such as the U.S. dollar and the euro.