

**Yamaha Corporation
Analyst and Investor Briefing
on the Fiscal Year Ended
March 31, 2013 (FY2013.3)**

May 1, 2013



Overview of Performance in FY2013.3

External Environment

- In the global economy, the North American market is trending toward recovery, but market conditions remain unstable in Europe
- The pace of growth is steadily slowing in the Chinese market. Growth in other markets is patchy due to the state of developed markets.
- The strong yen seen throughout much of the fiscal year depreciated rapidly from December onward

Results Summary

- Full year sales and income increased year-on-year and exceeded previous projections (announced February 6 and revised April 25)
- Although operating income was projected to decline due to sluggish markets during the 3Q period of high demand, revised 4Q sales figures, and production adjustments (as announced on February 6), the impact of exchange rates in the fourth quarter and reduction of SG&A expenses resulted in sales and income increasing both year-on-year and against previous projections

Performance in FY2013.3



➤ Net sales and income in all levels were higher than previous projections and also exceeded previous year. Net income returned to black.

(Billions of yen)

	FY2012.3 Results	FY2013.3 Results	YoY changes	FY2013.3 Previous Projections made on 2013.2.6	Change from previous projections
Net sales	356.6	366.9	+2.9%	365.0	+0.5%
Operating income (Operating income ratio)	8.1 (2.3%)	9.2 (2.5%)	+13.6%	7.0 (1.9%)	+31.6%
Ordinary income (Ordinary income ratio)	7.3 (2.0%)	8.6 (2.3%)	+18.3 %	6.0 (1.6%)	+43.0%
Net income (Net income ratio)	-29.4 (—)	4.1 (1.1%)	—	0 (—)	—

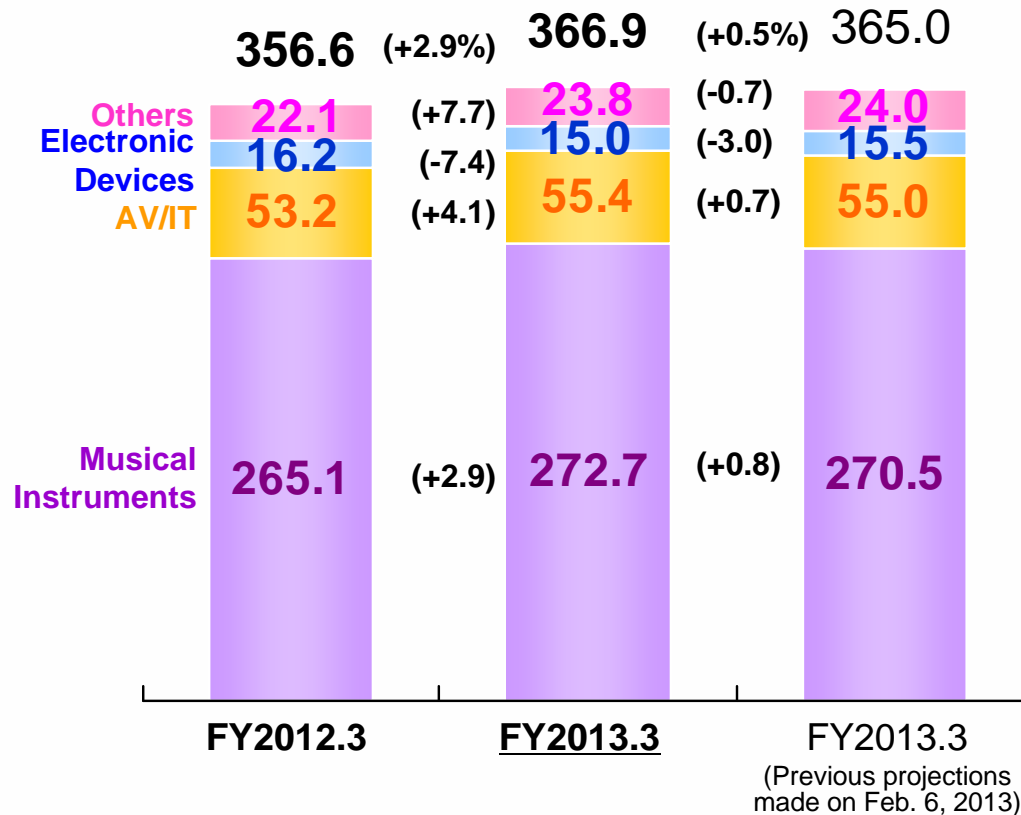
Currency exchange rates (yen)

Net Sales	US\$	79	83	81
	EUR	109	107	105
Operating Income	US\$	79	82	81
	EUR	112	103	103

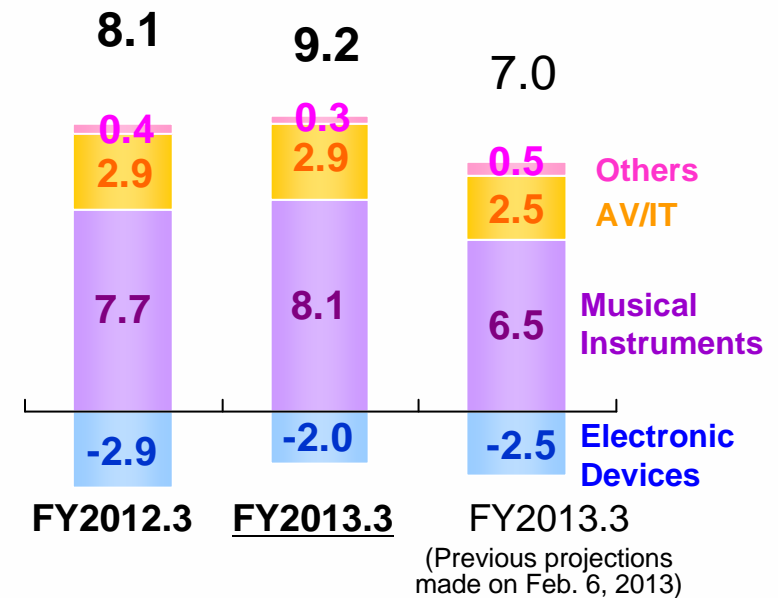
Performance by Business Segment in FY2013.3 **YAMAHA**

(Billions of yen)

Net Sales



Operating Income



Impact of Exchange Rates

Year-on-Year +¥3.7 billion
 (musical instruments +¥2.9 billion, AV/IT +¥0.7 billion, Electronic Devices +¥0.1 billion)

Versus previous projections +¥3.5 billion
 (musical instruments +¥2.8 billion, AV/IT +¥0.6 billion)

-¥3.0 billion

(musical instruments -1.9 billion, AV/IT -¥1.1 billion)

+¥0.2 billion

(musical instruments +0.3 billion, AV/IT -0.1 billion)

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

Domestic Business Structural Reform

- Domestic business structural reform progressed smoothly. An extraordinary loss of ¥3.1 billion was recorded (previous projection made on Feb.6, 2013: ¥3.3 billion).
- Profitability is projected to improve by ¥2.5 billion in FY2014.3.

Main measures	Details	Restructuring expenses	Savings in FY2014.3
Structural Reform in Domestic Sales and Marketing	<ul style="list-style-type: none"> • <u>Employment adjustments, etc. in domestic sales and marketing divisions and retail subsidiaries</u> • <u>Impairment loss on fixed assets</u> <ul style="list-style-type: none"> -Wholesale companies became a new subsidiary in April -Eight retail subsidiaries merged into one 	¥1.4 billion ¥0.6 billion	¥0.8 billion
Structural Reform in Semiconductor Business	<ul style="list-style-type: none"> • <u>Call for early retirement at Kagoshima production facility</u> <ul style="list-style-type: none"> -Cost reduction through overseas production outsourcing -Investment in geomagnetic sensor plant 	¥1.0 billion Investment (¥0.8 billion)	¥1.1 billion
Reform in Staff Operations	<ul style="list-style-type: none"> •Promotion of shared services, utilize outsourcing 		¥0.6 billion
		¥3.1 billion	¥2.5 billion

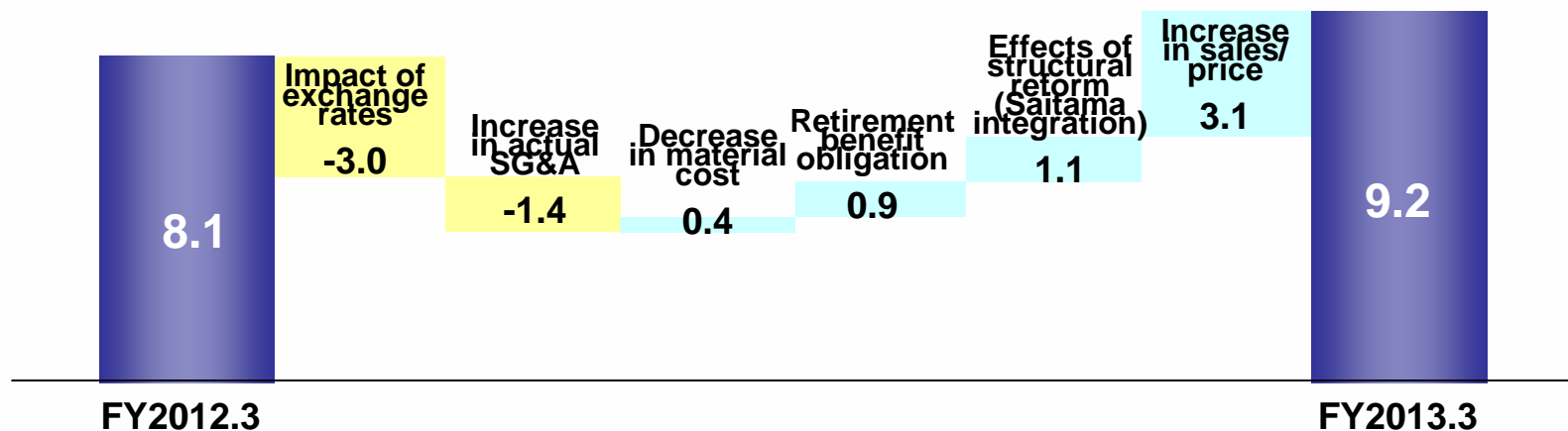
Note: Preparations for setting up domestic production divisions subsidiaries in April 2014 are progressing steadily

FY2013.3 Operating Income Analysis

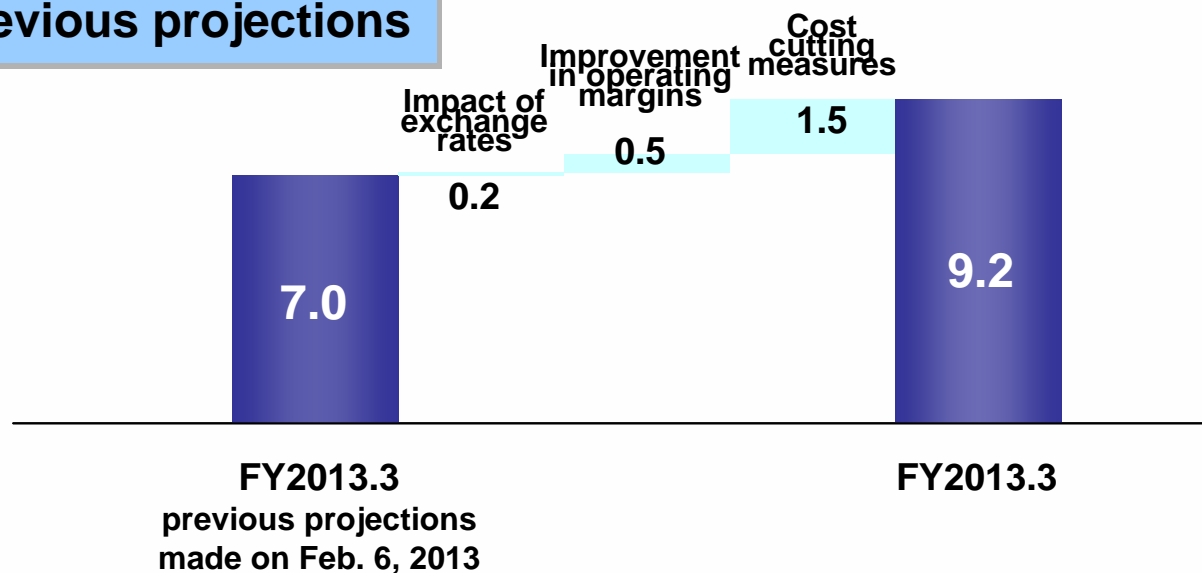


(Billions of yen)

Versus previous year



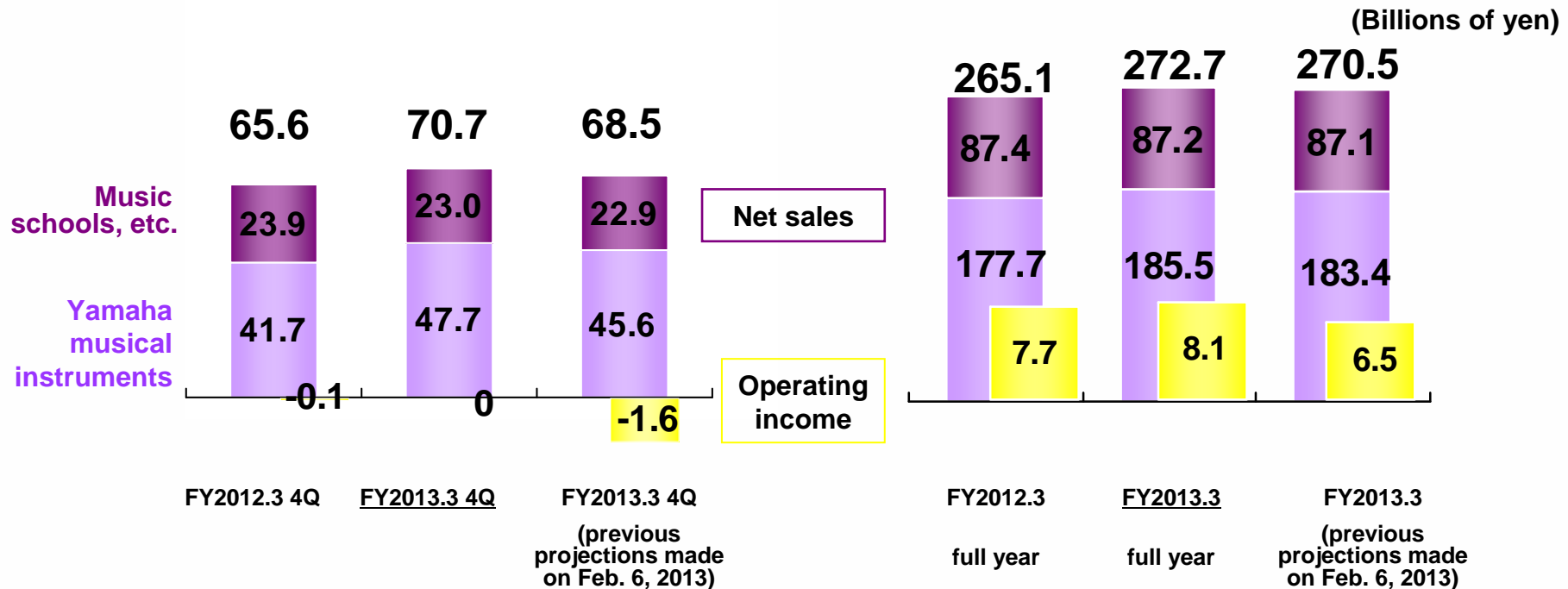
Versus previous projections



Musical Instruments



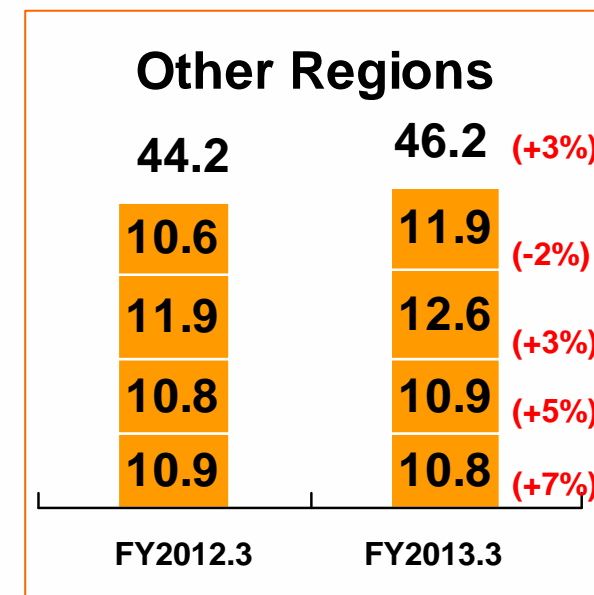
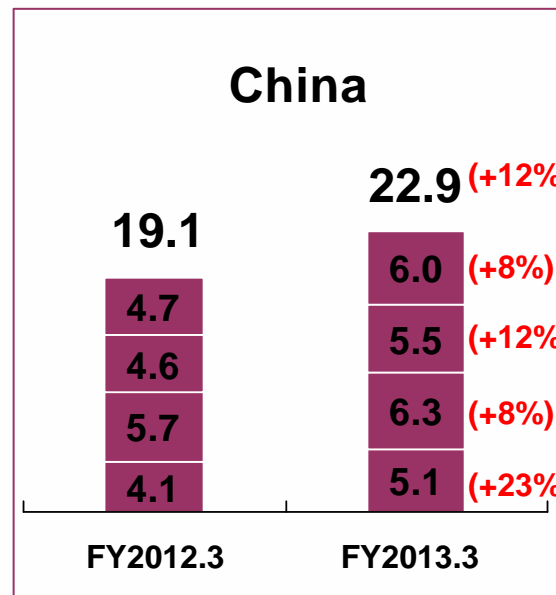
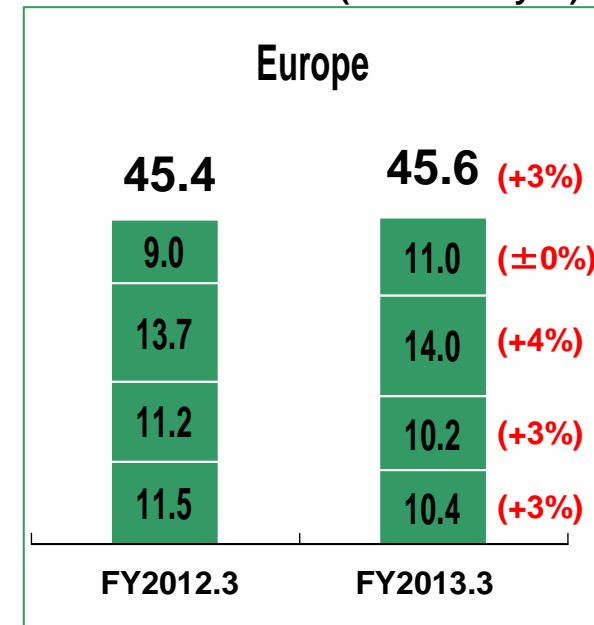
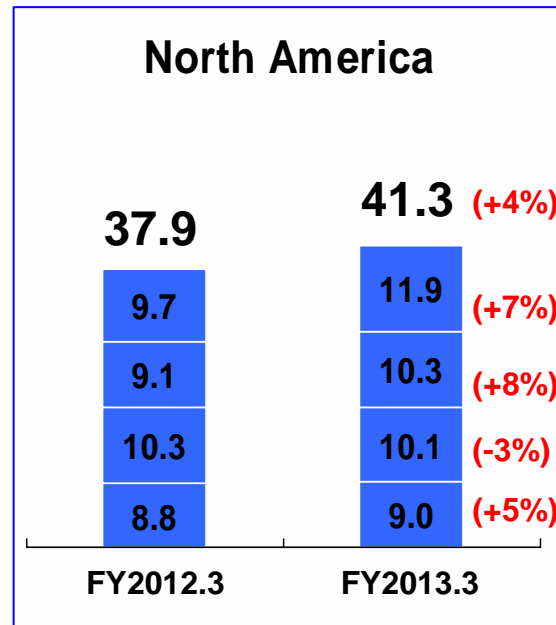
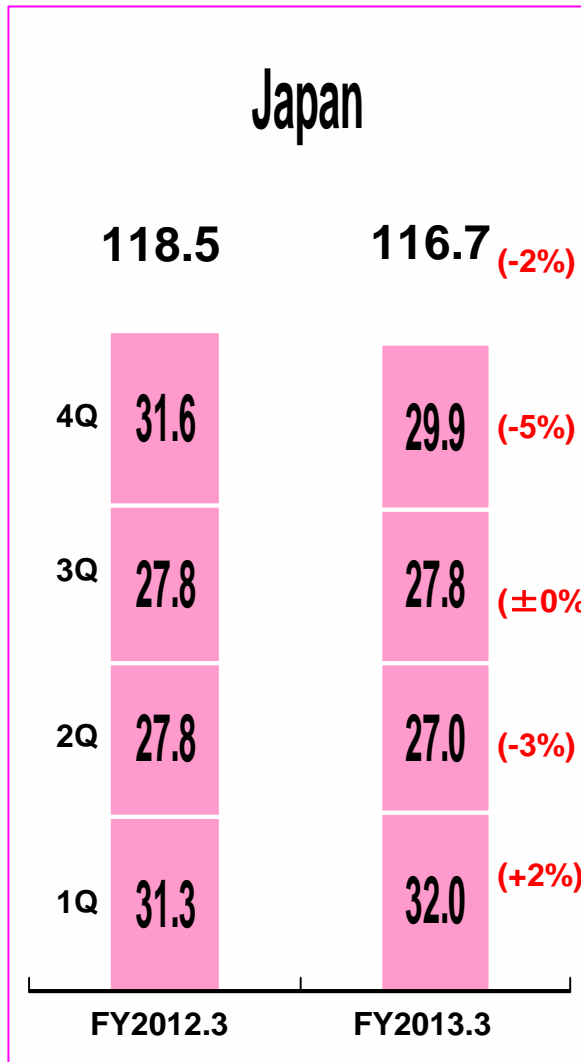
4Q Overview	FY2013.3 Overview
<ul style="list-style-type: none"> • Pianos sales were robust in North America and China • Digital piano sales were up year-on-year, but portable keyboards struggled • Double-digit growth in professional audio equipment • Strong sales of wind instruments as demand rebounded in the North American rental market • Music school and digital musical instrument struggled in Japan and overall Japan sales declined. 	<ul style="list-style-type: none"> • Actual sales rose year-on-year despite sluggish results during the year-end period of high demand • Production adjustments were implemented due to slow sales • The North American market showed steady growth, but Europe continued to face challenging economic conditions. Although the pace of growth slowed in China, it remained in double digits. Other markets slowed. • Sales of digital musical instruments and audio equipment grew, although they did not meet targets • Musical instrument and audio equipment sales and marketing reforms were carried out in Japan, with new subsidiaries established in April



Musical Instruments: Sales by Region

(Billions of yen)

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



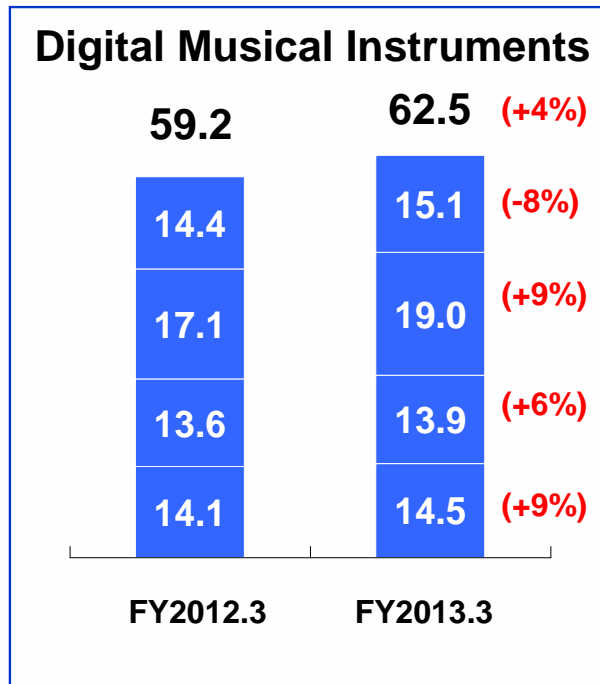
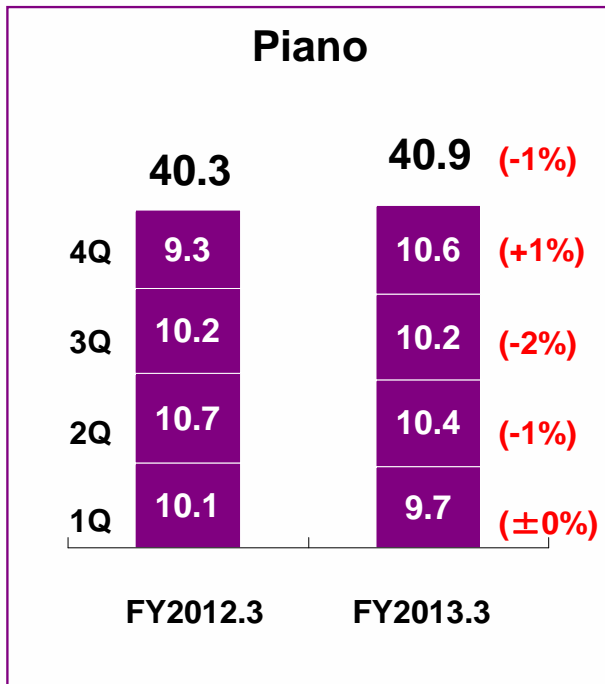
Musical Instruments: Sales by Region



Musical Instrument Sales by Region	
Japan	A stagnant market produced overall results even lower than those of the previous year, which suffered from the impact of the Great East Japan Earthquake. Although demand for grand pianos and upright pianos manufactured in Indonesia rallied in the fourth quarter and sales of the NU1 hybrid piano increased year-on-year, overall piano sales were lower than the previous year, as were digital musical instrument sales. Mid-range wind instruments struggled throughout the year. Guitar sales were up from the previous year, partly due to continuing strong sales of THR guitar amplifiers. Professional audio equipment sales were robust in the fourth quarter and grew by double digits over the full year as the projects decreased and unit prices fell.
North America	Economic conditions continued to recovery gradually. Thanks to strong sales in March, fourth quarter and full year results were both up year-on-year. The Canadian market was unable to escape its sluggishness from December onward. Except for portable keyboards, synthesizers and drums, region-wide sales of all products increased year-on-year.
Europe	With the European economy still in recession, fourth quarter results were flat year-on-year. Although year-on-year figures were up in Northern Europe, the UK, France, Spain, and Eastern Europe, they were down in Central Europe and Italy. Sales of professional audio equipment, wind instruments, and string and percussion instruments exceeded the previous year's results, but those of pianos and digital musical instruments did not. Full year sales rose only slightly year-on-year. Although they improved in the UK, Central and Eastern Europe, and Northern Europe, they declined in the Southern European nations of France, Spain, and Italy amidst challenging economic conditions. Although sales of digital pianos and professional audio equipment were up year-on-year, those of other products were generally down.
China	The Chinese market as a whole achieved double-digit year-on-year growth. Although market conditions improved somewhat in the fourth quarter following slow consumption and anti-Japanese sentiment in the third, there was no broad-based recovery. Core piano products were affected by the slowing economy and high-end products manufactured in Japan struggled, but sales of locally-made models were robust. Sales of digital keyboard instruments, guitars, and professional audio equipment were robust in the fourth quarter.
Other Regions	Emerging markets slowed under the influence of economic downturns in developed countries and China. In major emerging countries, sales expanded in Russia, but were flat in India. In Southeast Asia, Indonesia and Thailand continued to record robust sales. In Latin America, Argentina remained sluggish as import restrictions continued and Colombia and Brazil slowed, but Mexico grew. Economic sanctions on Iran and ongoing situations in Syria had a negative impact on the Middle East. Retailers showed signs of recovery in Australia, where sales rallied to generally match the previous year's levels.

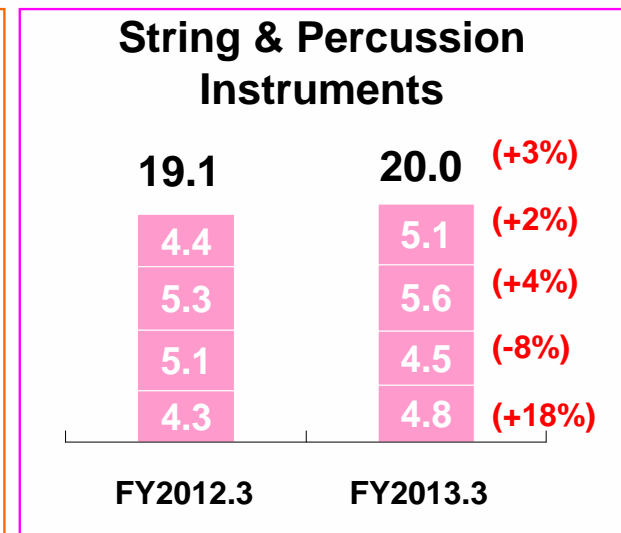
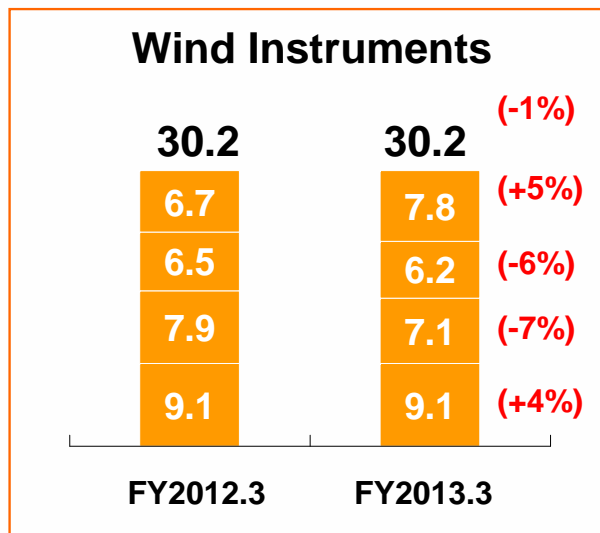
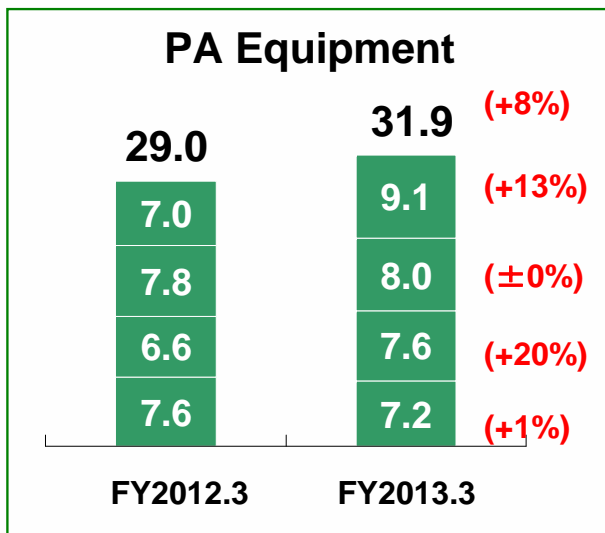
Musical Instruments: Sales by Product Category

(Billions of yen)

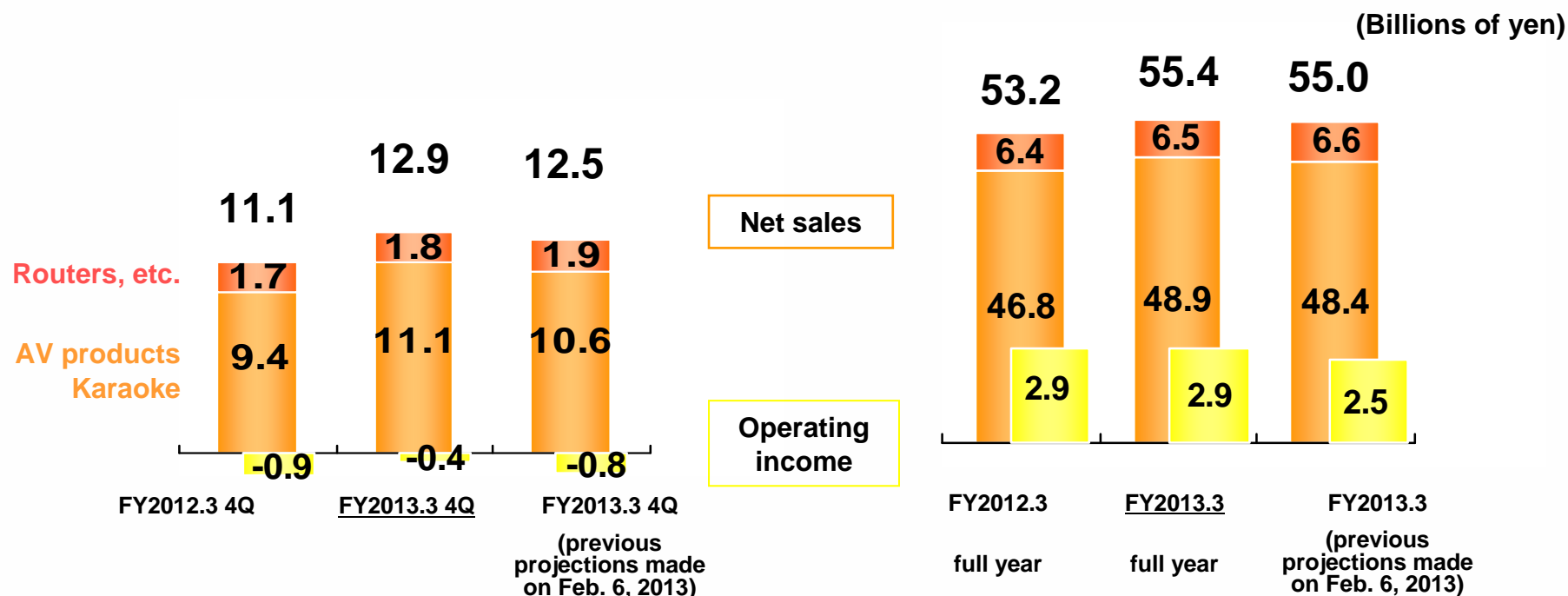


Figures in parentheses show actual year-on-year changes, discounting the impact of exchange rates

Note: Sales of Electone electronic organ are now included under digital musical instruments



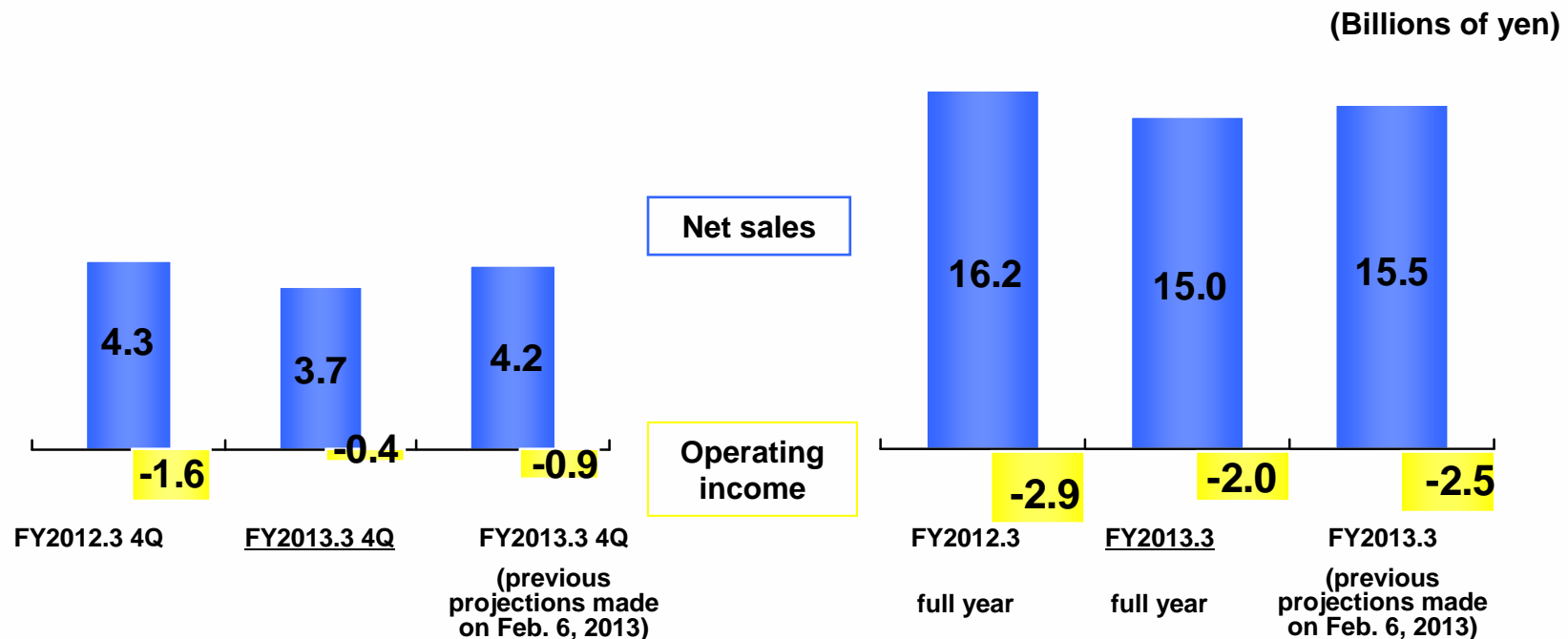
4Q Overview	FY2013.3 Overview
<ul style="list-style-type: none"> • Profitability improved as sales increased • Robust sales of AV receivers in the North American and European markets • Genuine increase in sales of TV peripheral devices in overseas markets • Strong sales of online karaoke equipment • Routers showed steady growth, despite a decline in large orders 	<ul style="list-style-type: none"> • Sales rose year-on-year but operating income remained the same. Sales and income were both higher than previous projections • Continued strong sales of audio products drove solid results in the North American market • Sound bar speaker sales grew in North America and Europe • Shipments of online karaoke equipment were steady, continuing to enjoy the effects of model changes • Router sales were on a par with the previous year, partly due to market inventory adjustments



Electronic Devices

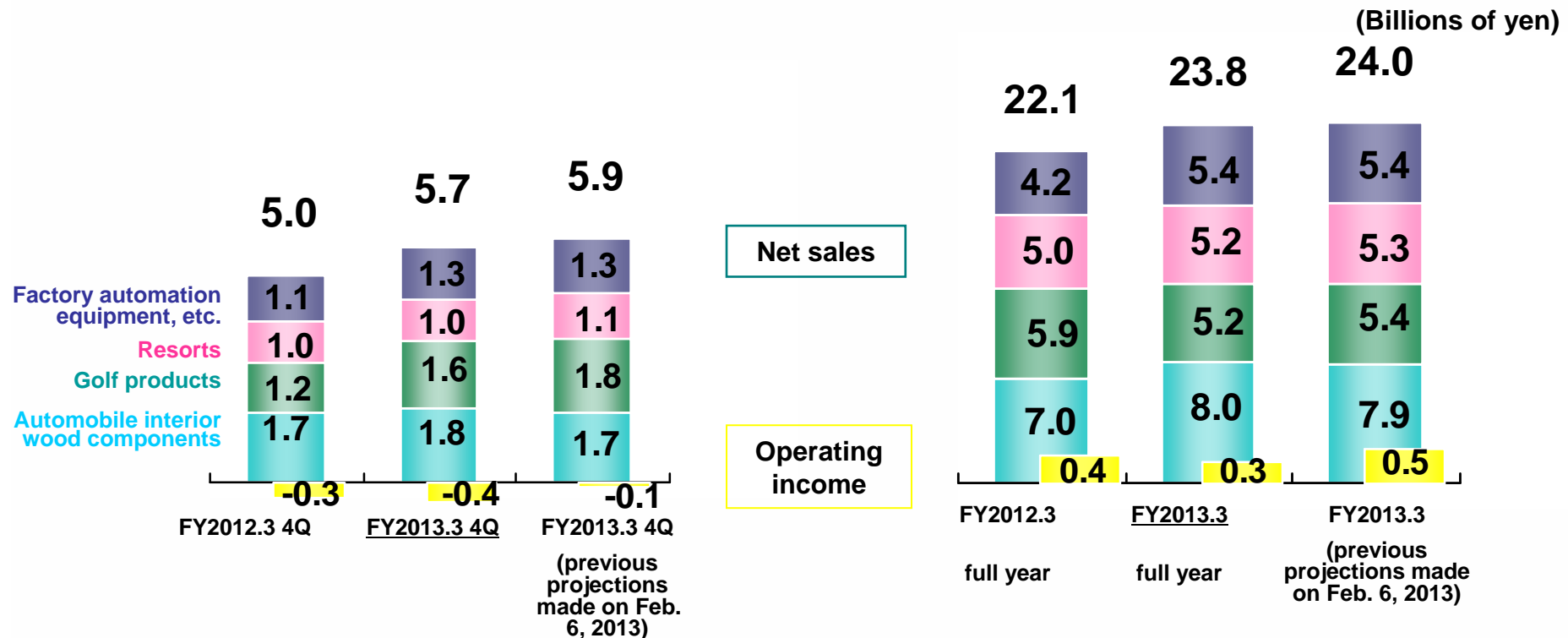


4Q Overview	FY2013.3 Overview
<ul style="list-style-type: none"> • Sales were down year-on-year and against previous projections, but profitability improved • Graphics controllers for amusement equipment struggled, but sound controllers sold briskly. • Although sales of geomagnetic sensors were robust, those of devices for other applications were down year-on-year • Gross sales margins increased and profitability at the Kagoshima production subsidiary improved 	<ul style="list-style-type: none"> • Delay in recovery of amusement market in second half • Progress with overseas outsourcing of production • Solid sales of geomagnetic sensors • Fixed costs curbed through measures including early retirements at Kagoshima production subsidiary



Others

4Q Overview	FY2013.3 Overview
<ul style="list-style-type: none"> • Steady sales of automobile interior wood components • Measures taken for golf product defect issue have nearly been completed • Successful efforts to attract more guests to resorts in the winter season increased the number of day-trippers 	<ul style="list-style-type: none"> • Smoothly managed 1Q transition of automobile interior wood components in response to customer model changes, and subsequent sales were robust • Golf product sales were slow in overseas markets and declined in Japan due to factors including product issues • Efforts to attract more guests to resorts in the off-season during the second half had some effect • Orders for factory automation equipment rebounded



FY2014.3 Business Environment and Performance Forecast



Business Environment

- The US economy is on a recovery trend despite concerns due to fiscal constraints
- Fiscal issues in Europe continue to cause uncertainty
- The Chinese economy is still growing reliably, albeit at a slower pace, and steady expansion is projected in emerging markets

Performance Forecast

- Sales and income are predicted to increase year-on-year
- In addition to positive effects from domestic business structural reform (semiconductors, domestic sales and marketing), favorable exchange rates are expected to boost income
- Growth is predicted for digital keyboard instruments and professional audio equipment, and in North America, China, and other markets

Change in Segment Composition

From the first quarter of FY2014.3, segment composition and title will change as follows:

- (1) Professional audio equipment will shift from the Musical Instruments segment to the AV/IT segment
- (2) The AV/IT segment will be re-named the Audio Equipment segment

Note: In the following slides showing projections, FY2013.3 results have been recalculated to reflect the new segments for comparison purposes

Forecast for Performance in FY2014.3

➤ Sales and income are forecast to increase against previous year.

(Billions of yen)

	FY2013.3 results	FY2014.3 projections	Increase/decrease	Year-on-year percentage change
Net sales	366.9	390.0	+23.1	+6.3%
Operating income (Operating income ratio)	9.2 (2.5%)	18.0 (4.6%)	+8.8	+95.3%
Ordinary income (Ordinary income ratio)	8.6 (2.3%)	16.5 (4.2%)	+7.9	+92.3%
Net income (Net income ratio)	4.1 (1.1%)	13.5 (3.5%)	+9.4	+227.5%

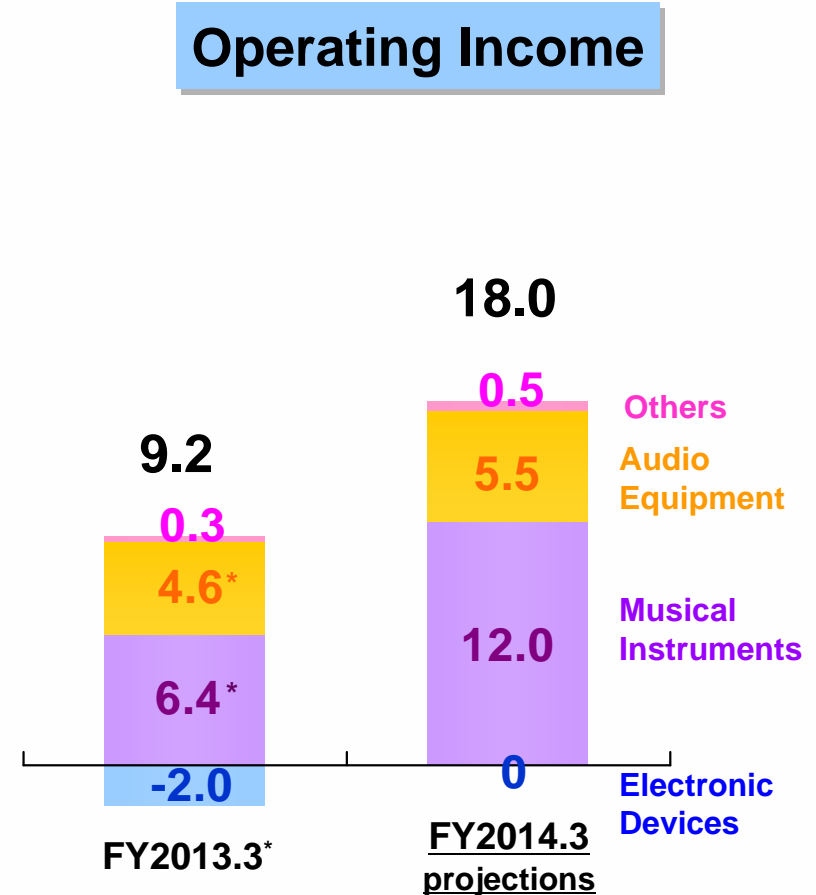
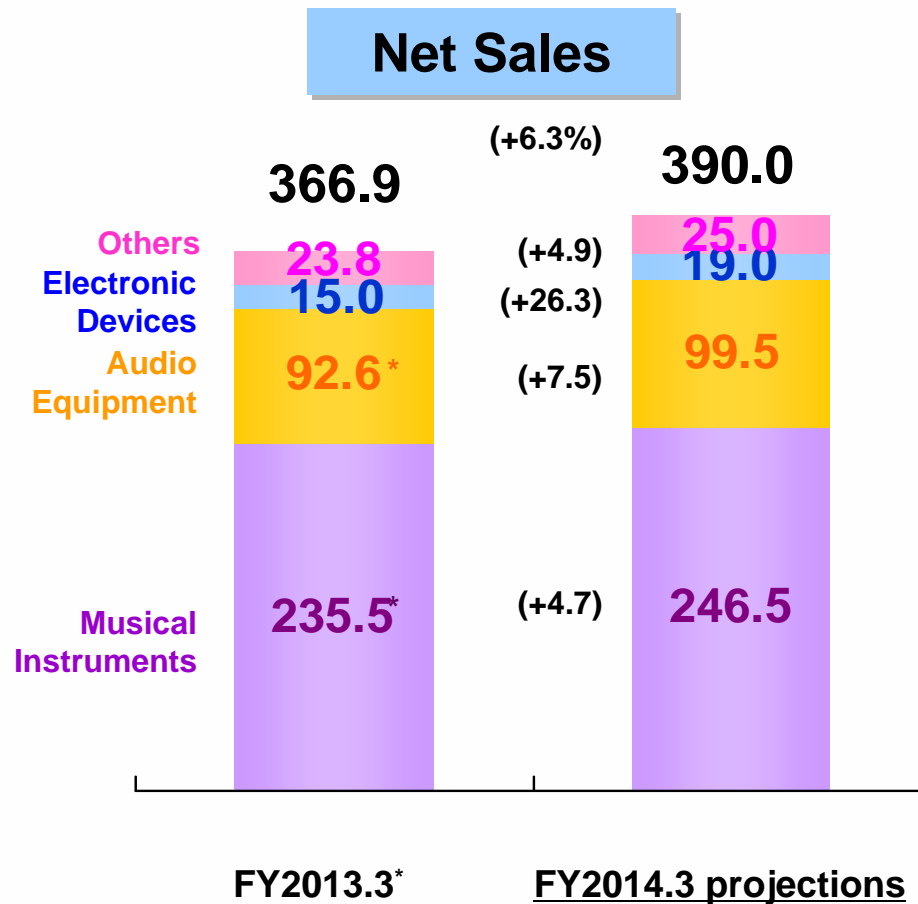
Currency exchange rates (yen)

Net sales	US\$	83	85
	EUR	107	115
Operating income	US\$	82	85
	EUR	103	115

Forecast for Performance by Business Segment in FY2014.3



(Billions of yen)



Impact of Exchange Rates

+¥9.6 billion

Year-on-year (musical instruments +6.1 billion, audio equipment +¥3.5 billion, electronic devices +¥0.1 billion)

+¥6.3 billion

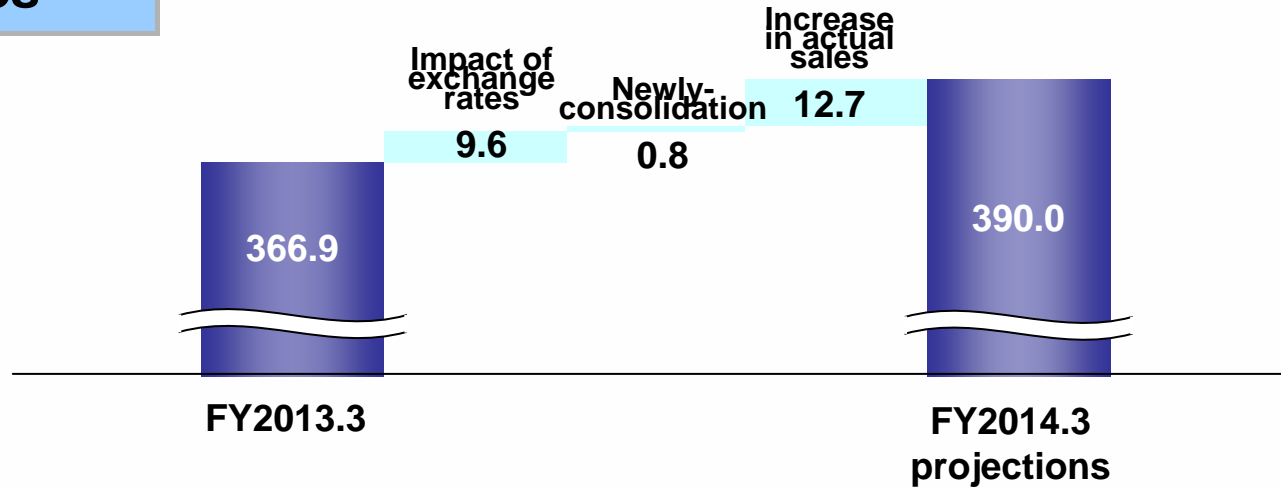
(musical instruments +¥4.3 billion, audio equipment +¥2.0 billion)

*FY2013.3 results are presented in new segments after the recalculation for comparison purpose. Figures in parentheses represent changes from the previous year or from previous projections

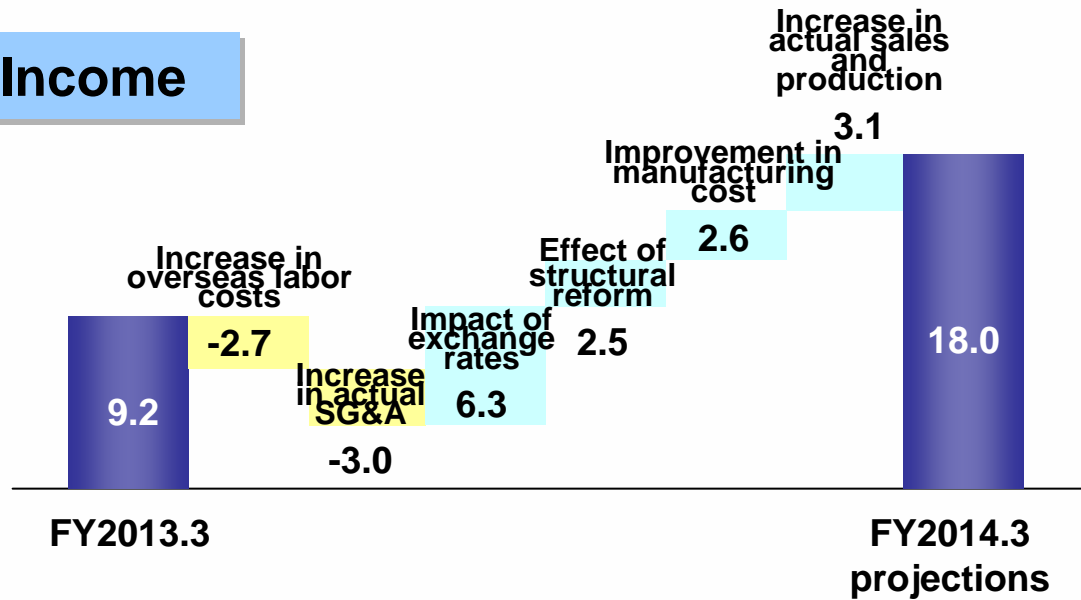
FY2014.3 Sales and Operating Income Analysis

(Billions of yen)

Sales



Operating Income



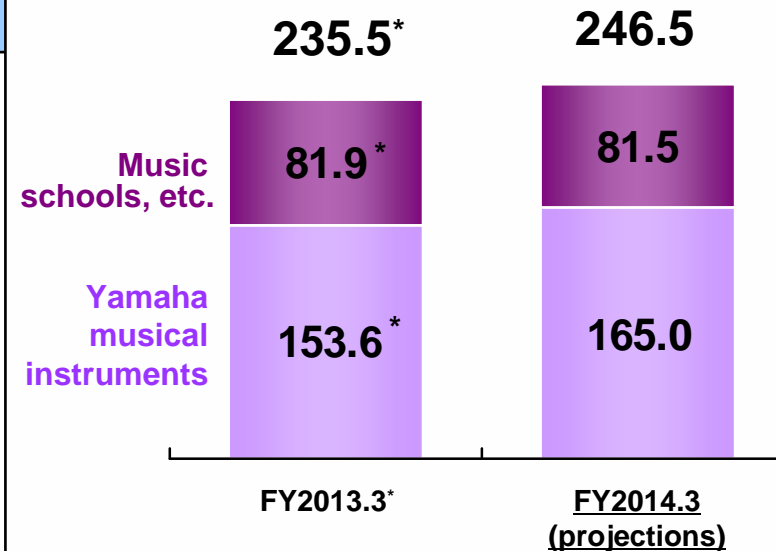
Musical Instruments: Projections



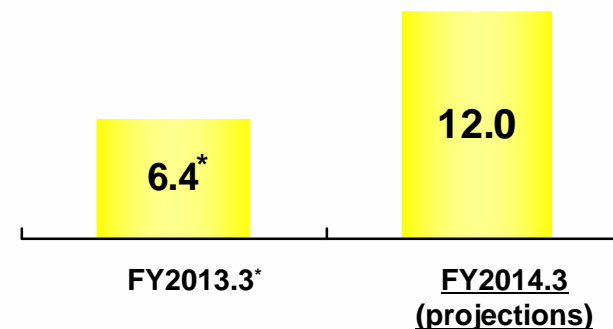
(Billions of yen)

Net Sales

- ### Full Year Projections
- Sales and income are expected to increase year-on-year
 - Sales are anticipated to rise in China and emerging markets
 - Wind instrument, string and percussion instrument, and especially digital keyboard instrument sales are predicted to grow
 - Domestic business structural reform will improve profitability



Operating Income



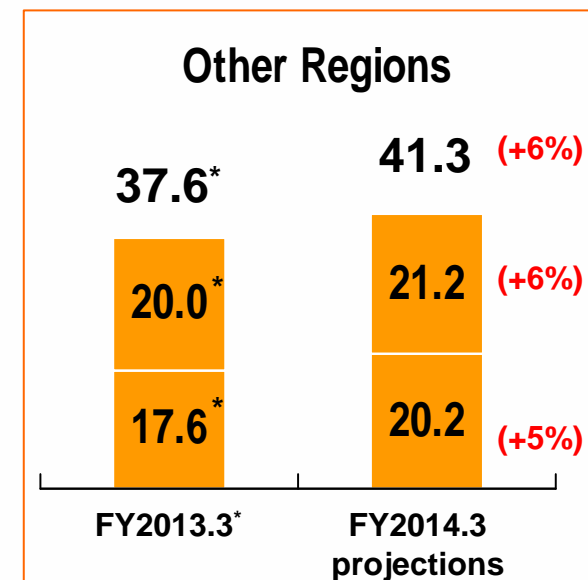
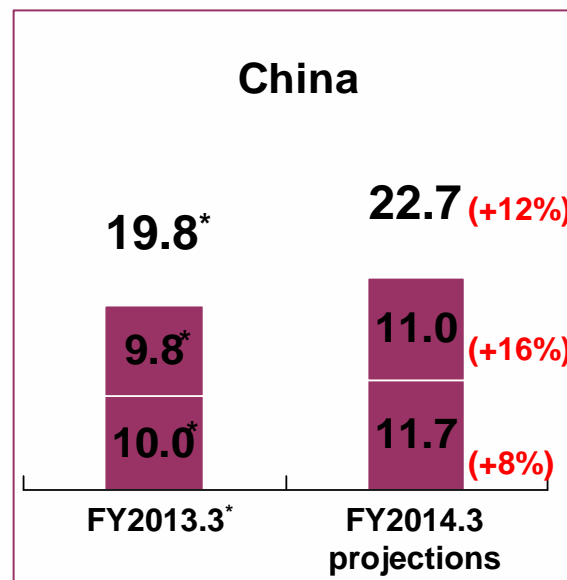
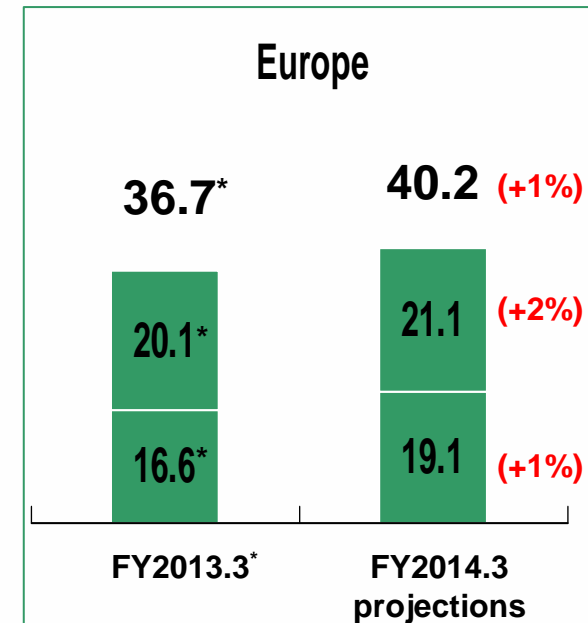
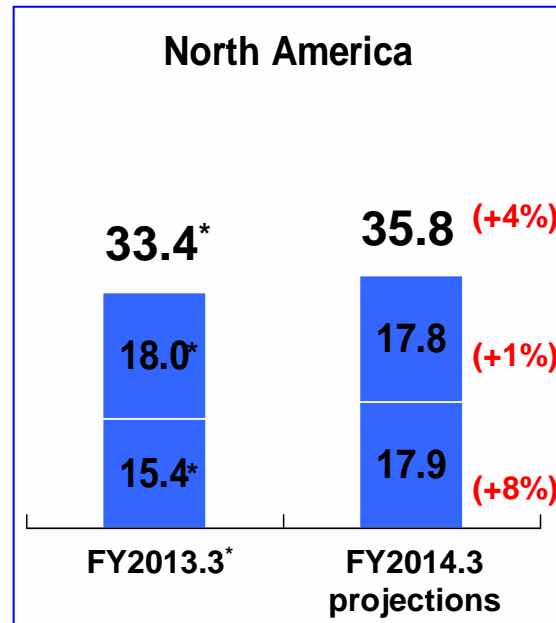
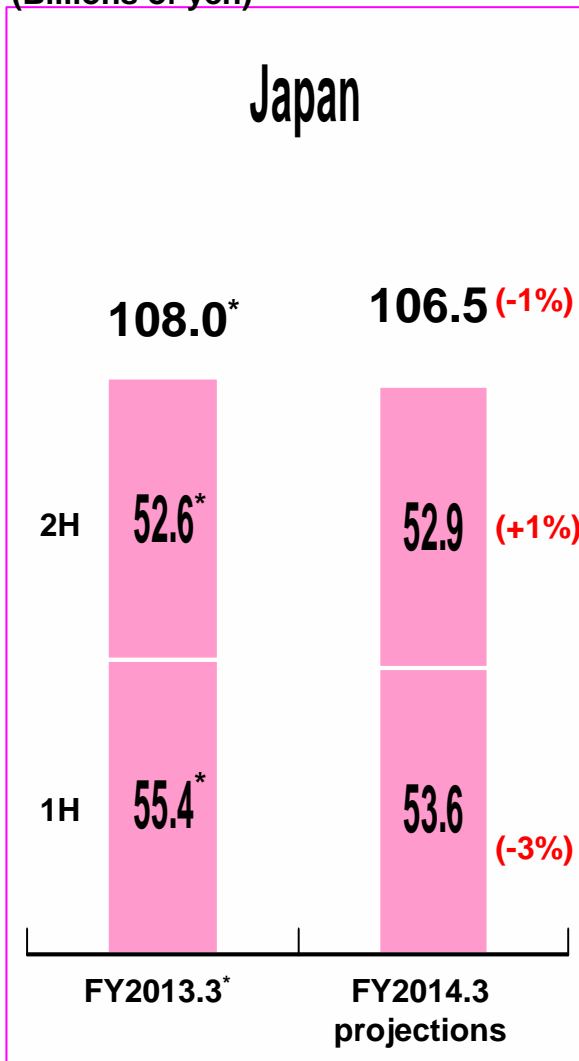
*FY2013.3 results are presented in new segments after the recalculation for comparison purpose.

Musical Instrument: Sales by region



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

(Billions of yen)

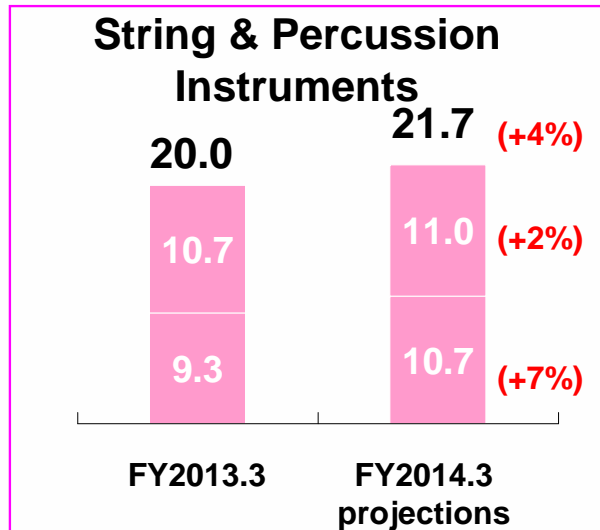
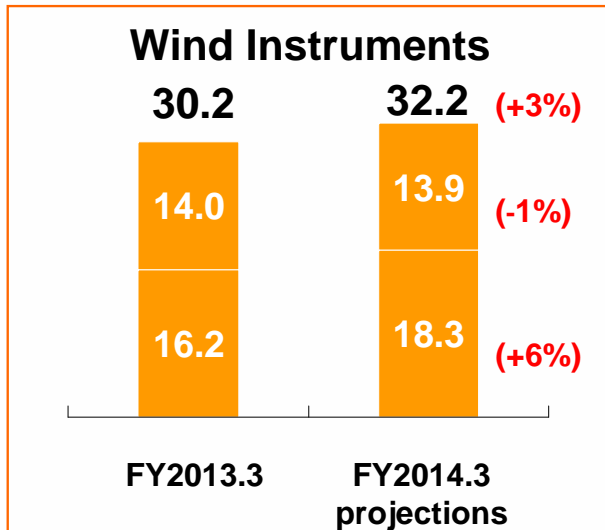
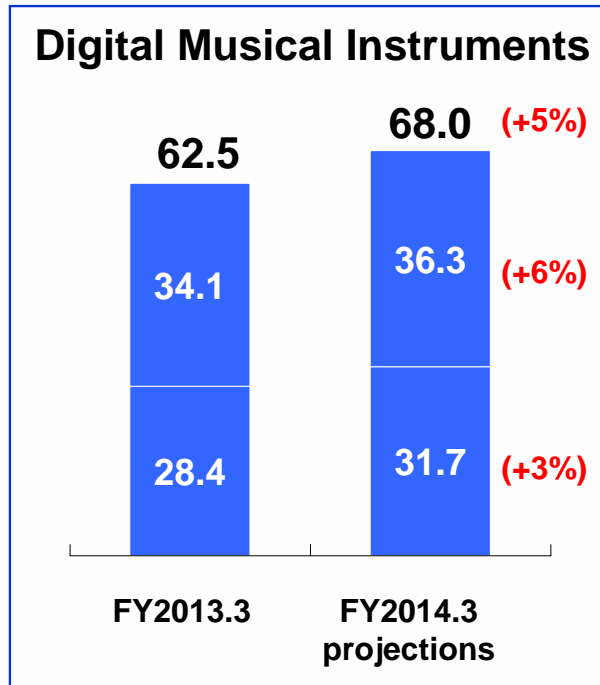
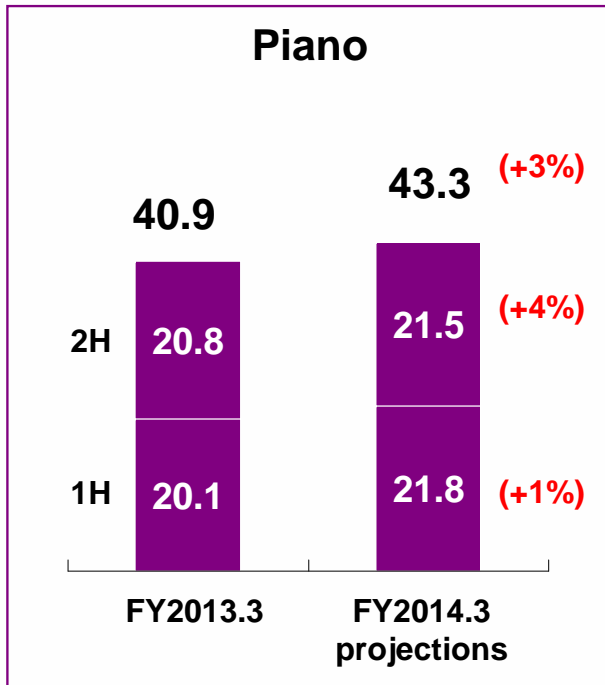


*FY2013.3 results are presented in new segments after the recalculation for comparison purpose.

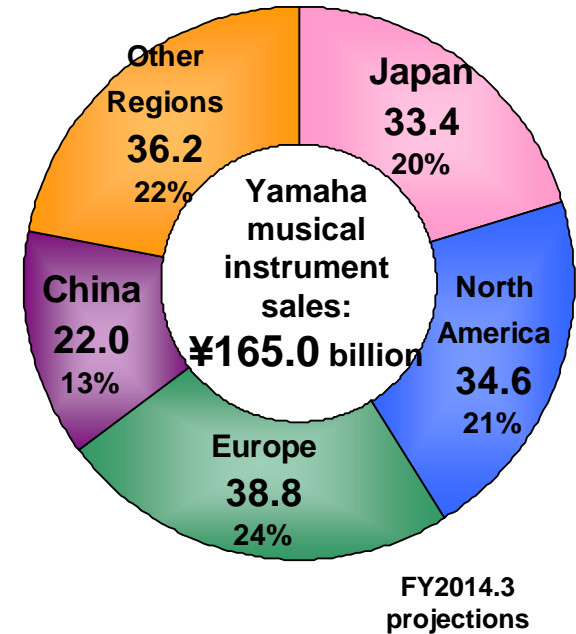
Musical Instruments: Sales by Product Category

(Billions of yen)

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



Yamaha Musical Instrument Sales by Region

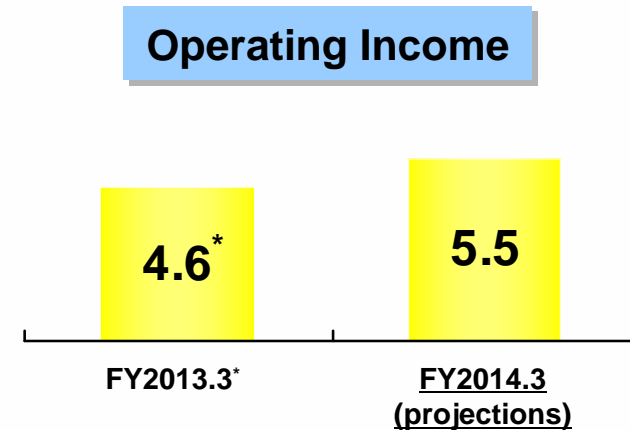
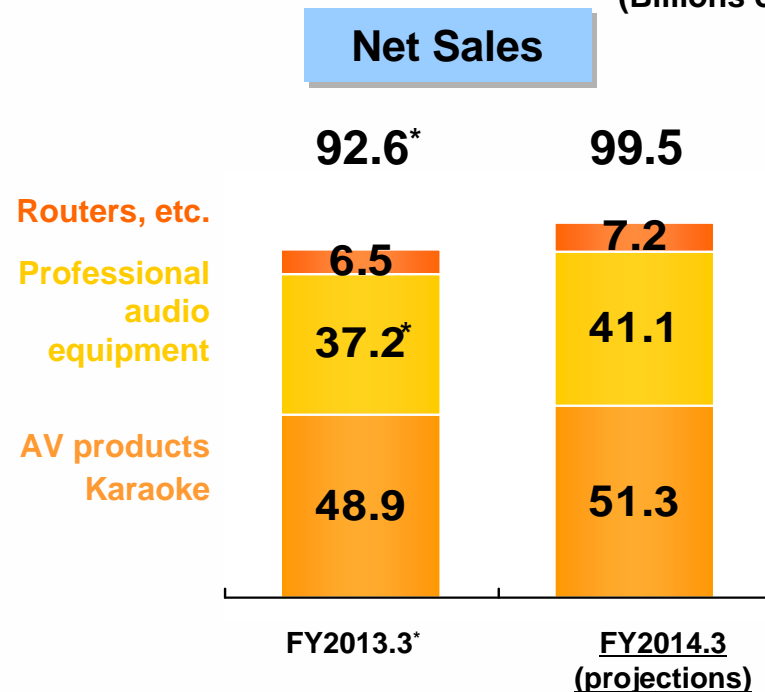


Audio Equipment: Projections



(Billions of yen)

- | Full Year Projections |
|--|
| <ul style="list-style-type: none"> • Sales and income are expected to rise year-on-year • Karaoke equipment sales are anticipated to decline as the effects of model changes fade • Professional audio equipment sales are forecast to increase, partly due to expansion of the business field • The current round of router inventory adjustments is projected to end and the product field will be expanded • Product development expenses is projected for professional audio equipment, routers, etc. |



*FY2013.3 results are presented in new segments after the recalculation for comparison purpose.

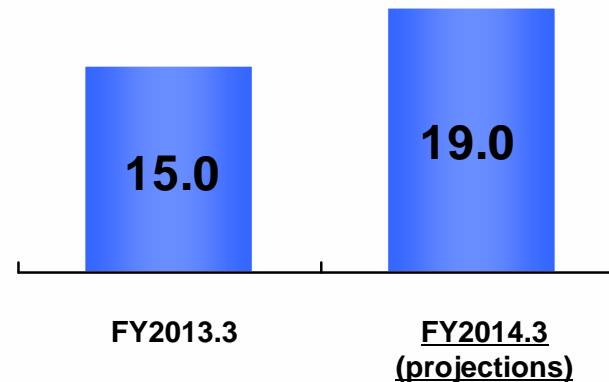
Electronic Devices: Projections



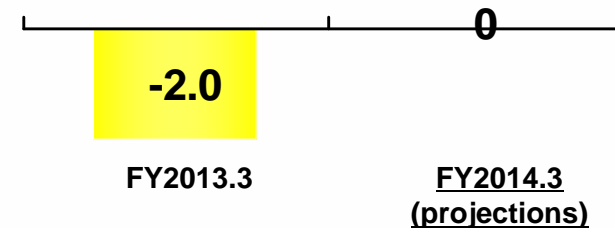
(Billions of yen)

Full Year Projections
<ul style="list-style-type: none">• Sales are expected to increase year-on-year, and a return to profit is anticipated, partly due to business structural reform• Fixed costs at the Kagoshima factory will be reduced by early retirement• Production costs will be reduced through outsourcing• Investment in geomagnetic sensor plant will cut costs• More widespread adoption of graphics controllers for amusement equipment is projected• New codec products are expected to boost sales

Net Sales



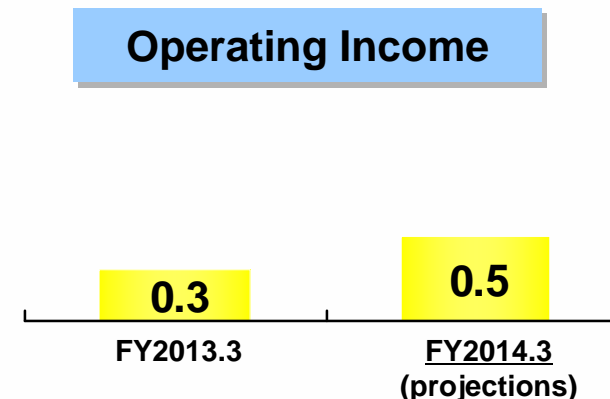
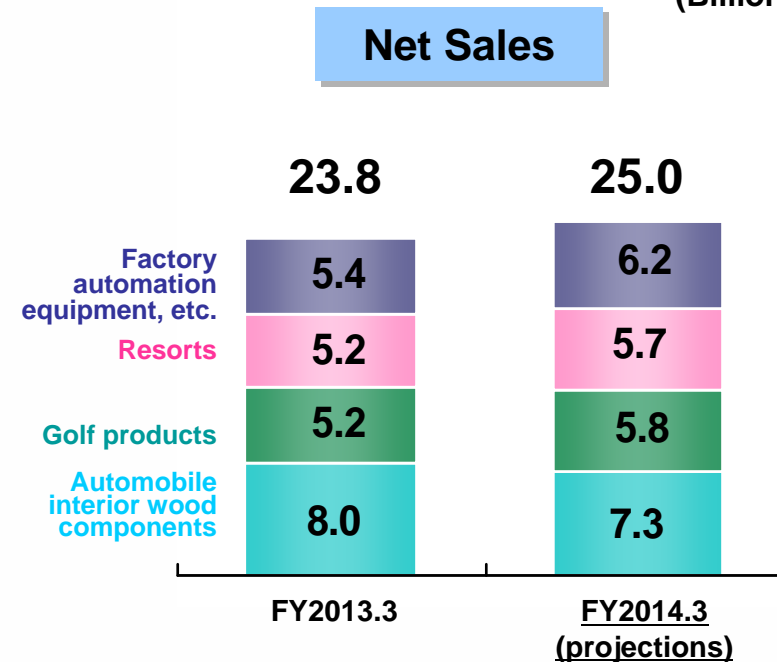
Operating Income



Others: Projections

(Billions of yen)

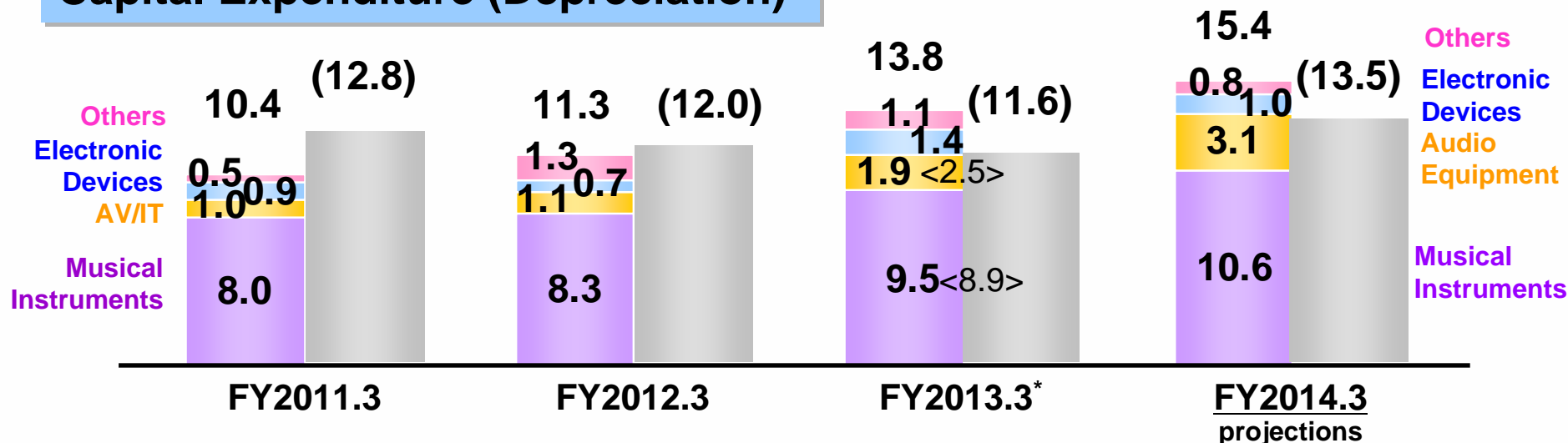
- ### Full Year Projections
- Sales and income are expected to rise year-on-year
 - Sales of automobile interior wood components are anticipated to decline as the current round of demand for new models fades
 - Golf product sales are forecast to rebound to FY2012.3 levels
 - Resort sales are projected to rise, partly due to enhanced initiatives to attract guests
 - Sales of factory automation equipment are projected to increase



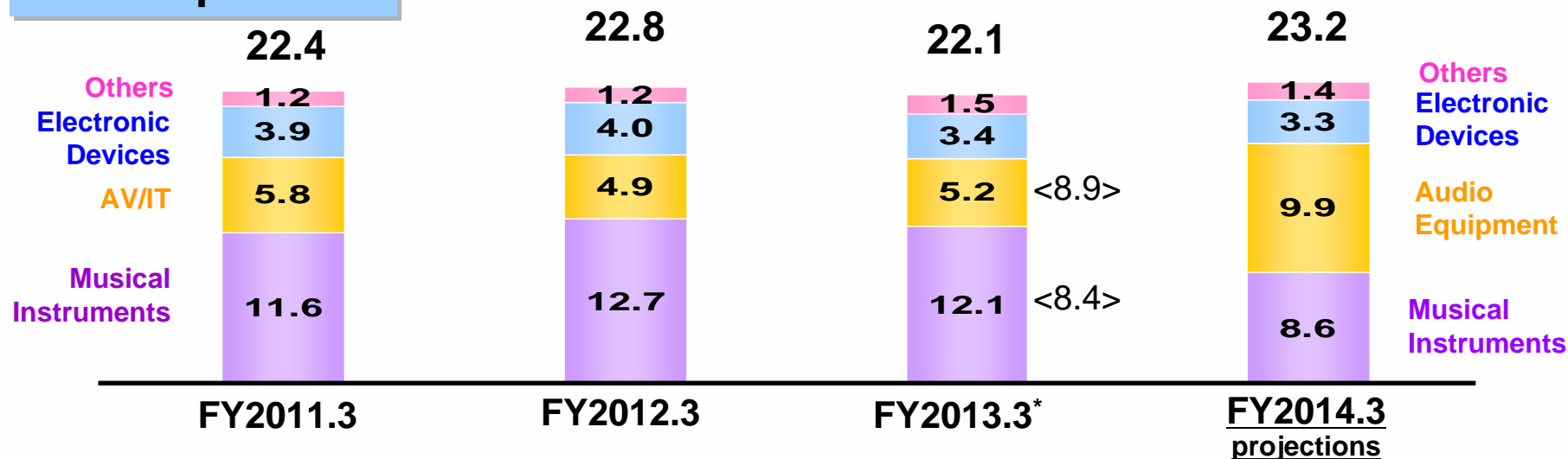
Capital Expenditure/Depreciation/R&D Expenses

(Billions of yen)

Capital Expenditure (Depreciation)



R&D Expenses



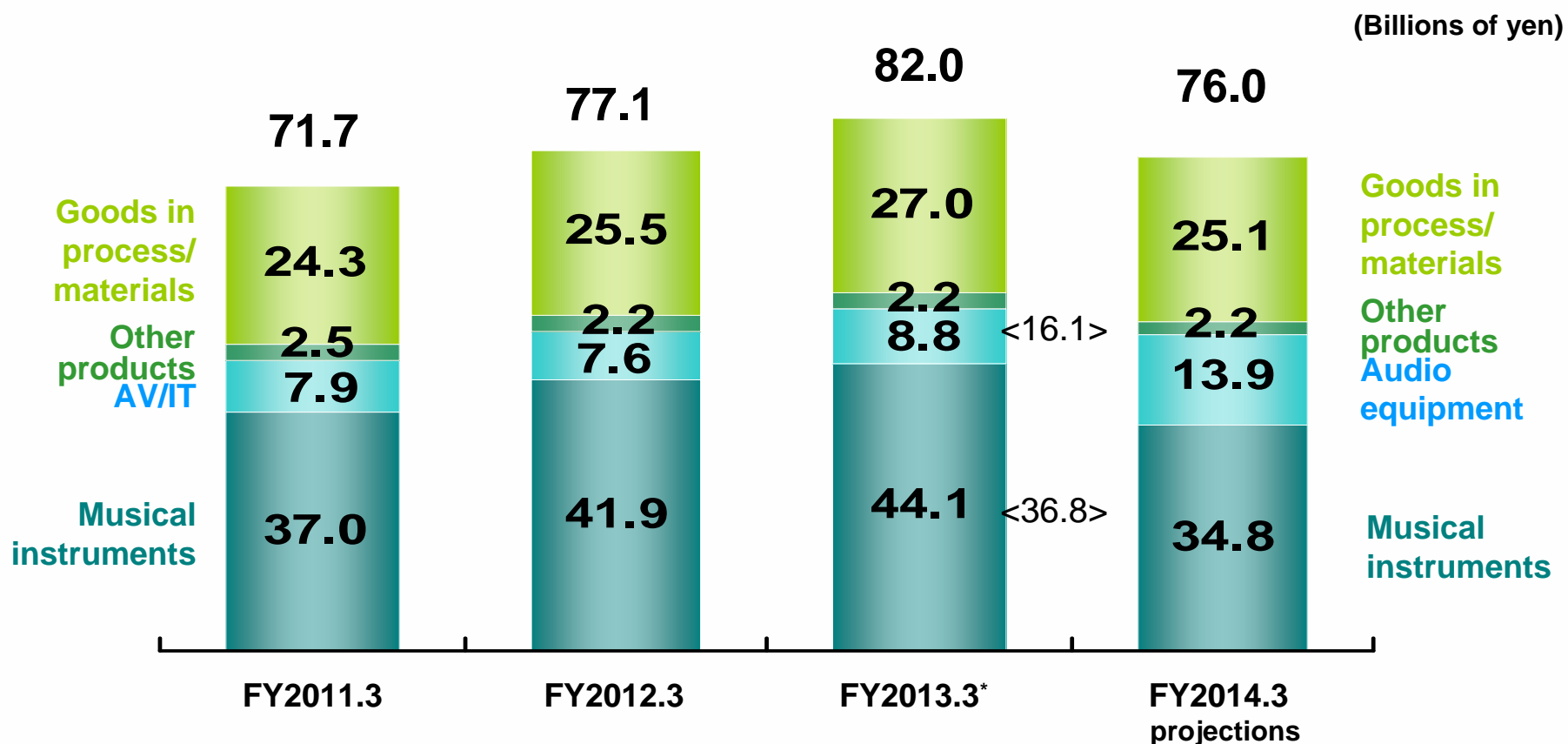
*Figures shown above in parenthesis <> reflect the new segments after the recalculation for comparison purposes. There are no reference figures for FY2011.3 and FY2012.3.

Inventories

➤ Inventories at the end of period were ¥4.9 billion higher than previous year.

Discounting the impact of exchange rates of +¥6.2 billion, actual inventories decreased by ¥1.3 billion.

Inventories were ¥4.9 billion higher than the previous projections including ¥4.9 billion impact of exchange rates, ending at the planned level.



*Figures shown above in parenthesis <> reflect the new segments after the recalculation for comparison purposes. There are no reference figures for FY2011.3 and FY2012.3.

Balance Sheet Summary

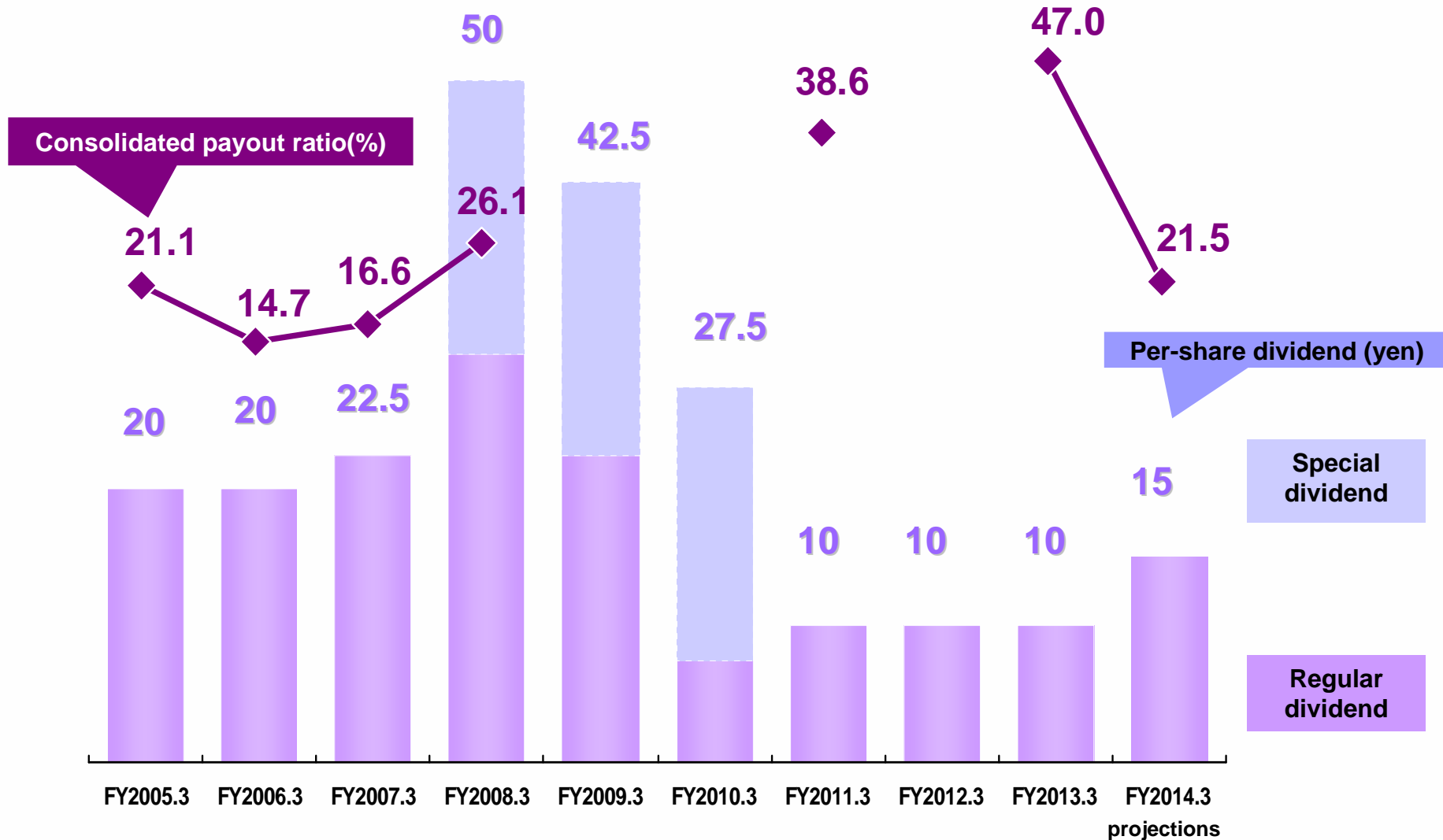


(Billions of yen)

	As of March 31, 2011	As of March 31, 2012	As of March 31, 2013	As of March 31, 2014 projections
Cash and deposit	58.7	56.6	51.4	55.4
Notes and accounts receivable	45.1	44.5	51.0	50.2
Inventories	71.7	77.1	82.0	76.0
Other current assets	19.2	10.8	13.5	13.9
Fixed assets	196.2	177.6	192.7	194.8
Total assets	390.9	366.6	390.6	390.3
Notes and accounts payable	24.2	22.3	20.3	20.0
Short- and long-term loans	11.8	11.3	10.0	7.7
Resort membership loans	15.9	15.5	15.4	15.4
Other liabilities	94.0	110.7	115.3	108.2
Total net assets	245.0	206.8	229.6	239.0
Total liabilities and net assets	390.9	366.6	390.6	390.3

Return to Shareholders

➤ An annual dividend of ¥15 is planned for



Appendix

Performance in the Fourth Quarter of FY2013.3 **YAMAHA**

➤ Sales and income exceeded previous year and previous projections

(Billions of yen)

	FY2012.3 4Q results	FY2013.3 4Q results	YoY changes	FY2013.3 4Q previous projections made on Feb. 6, 2013	Change from previous projections
Net sales	86.0	93.0	+8.2%	91.1	+2.1%
Operating loss	-2.9	-1.2	—	-3.4	—
Ordinary loss	-2.2	-1.0	—	-3.6	—
Net loss	-32.1	-0.3	—	-4.5	—

Currency exchange rates (yen)

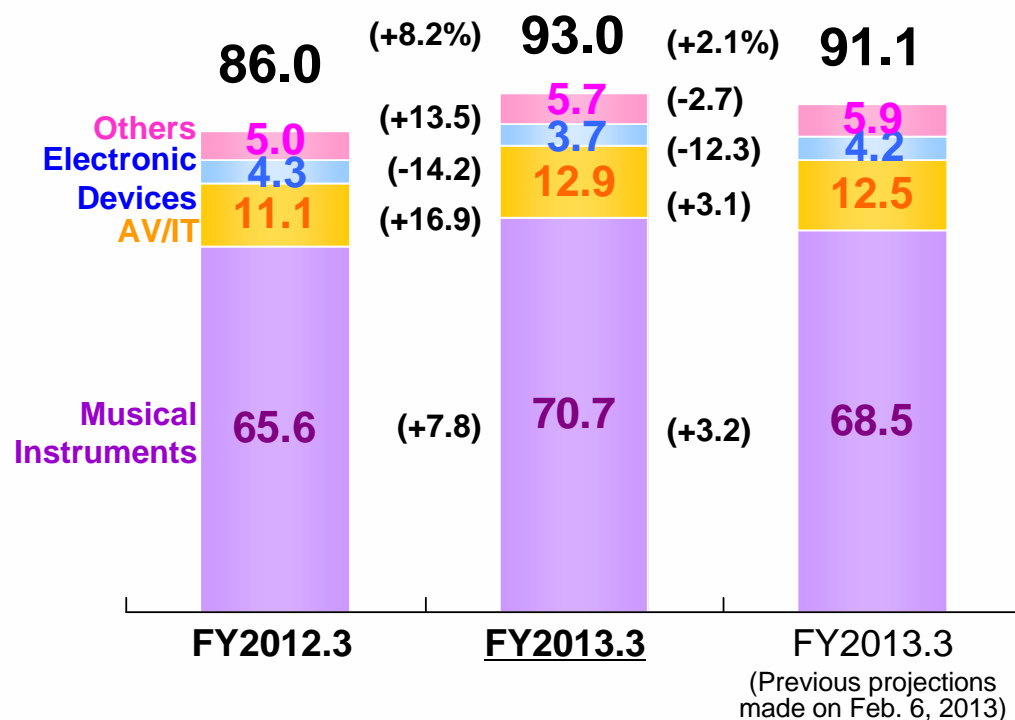
Net sales	US\$	79	92	85
	EUR	104	122	115
Operating income	US\$	78	90	85
	EUR	104	104	105

Performance by Business Segment in the Fourth Quarter of FY2013.3

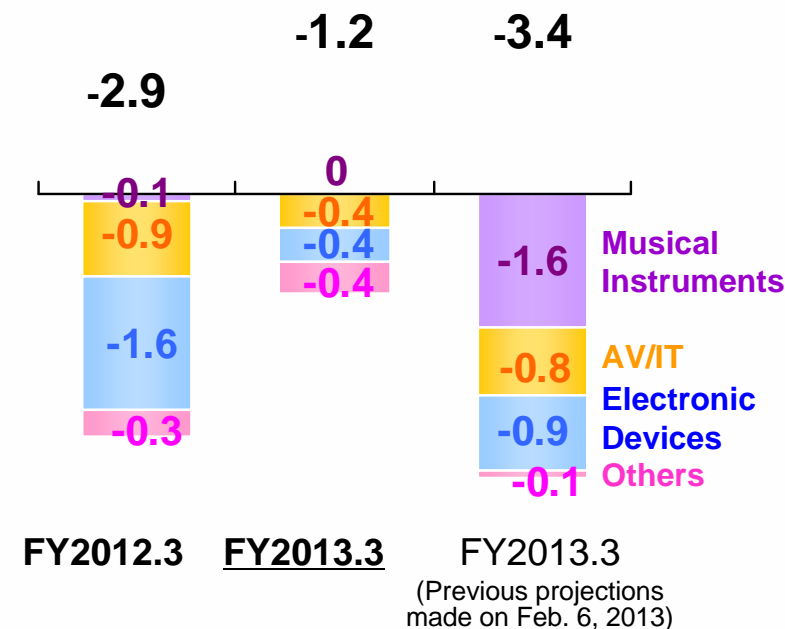


(Billions of yen)

Net Sales



Operating Income



Impact of Exchange Rates

Year-on-Year	+¥7.6 billion
	(musical instruments +¥6.0 billion, AV/IT +¥1.5 billion, Electronic Devices +¥0.1 billion)
Versus previous projections	+¥3.5 billion
	(musical instruments +¥2.8 billion, AV/IT +¥0.6 billion)

Year-on-Year	+¥0.9 billion
	(musical instruments +1.0 billion, AV/IT -¥0.1 billion)
Versus previous projections	+¥0.2 billion
	(musical instruments +0.3 billion, AV/IT -0.1 billion)

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

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



(Billions of yen)

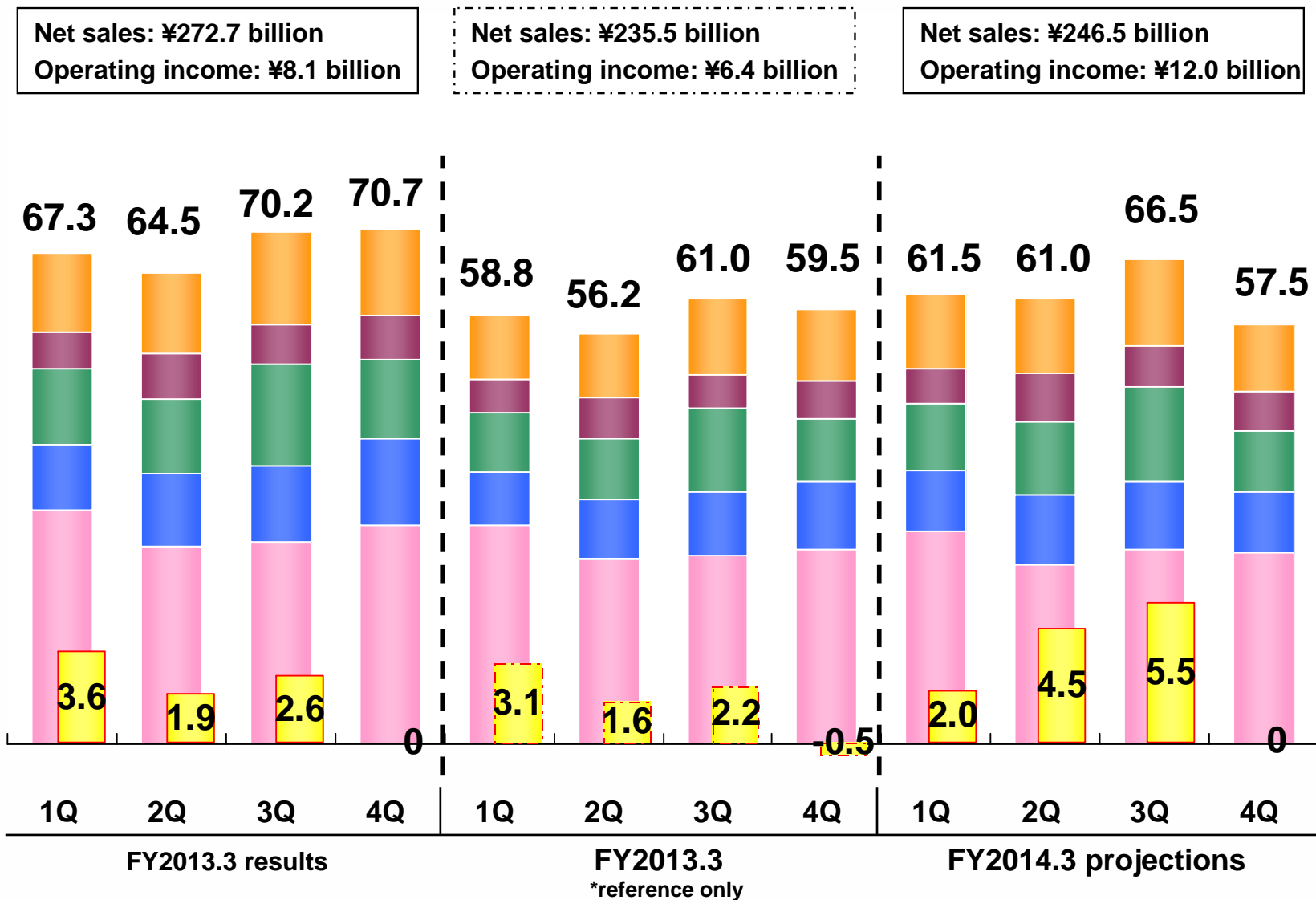
	FY2012.3 results	FY2013.3 results	FY2014.3 projections
Non-operating income/loss			
Net financial income/loss	1.3	1.1	1.0
Other	-2.1	-1.7	-2.5
Total	-0.8	-0.6	-1.5
Extraordinary income/loss			
Income from (loss on) disposal of fixed assets	-0.1	1.6	-0.1
Other	-0.2	-2.4	0.1
Total	-0.3	-0.8	0
Income taxes and other expenses			
Income taxes - current	4.0	3.7	3.6
Income taxes - deferred	32.1	-0.2	-0.8
Minority interests in income	0.3	0.2	0.2
Total	36.4	3.7	3.0

Structural reform expenses -3.1
 -Employment adjustments in Japan business -2.5
 -Impairment of business facilities related to sales & marketing -0.6

Sales and Income by Quarter : Musical Instruments



(Billions of yen)

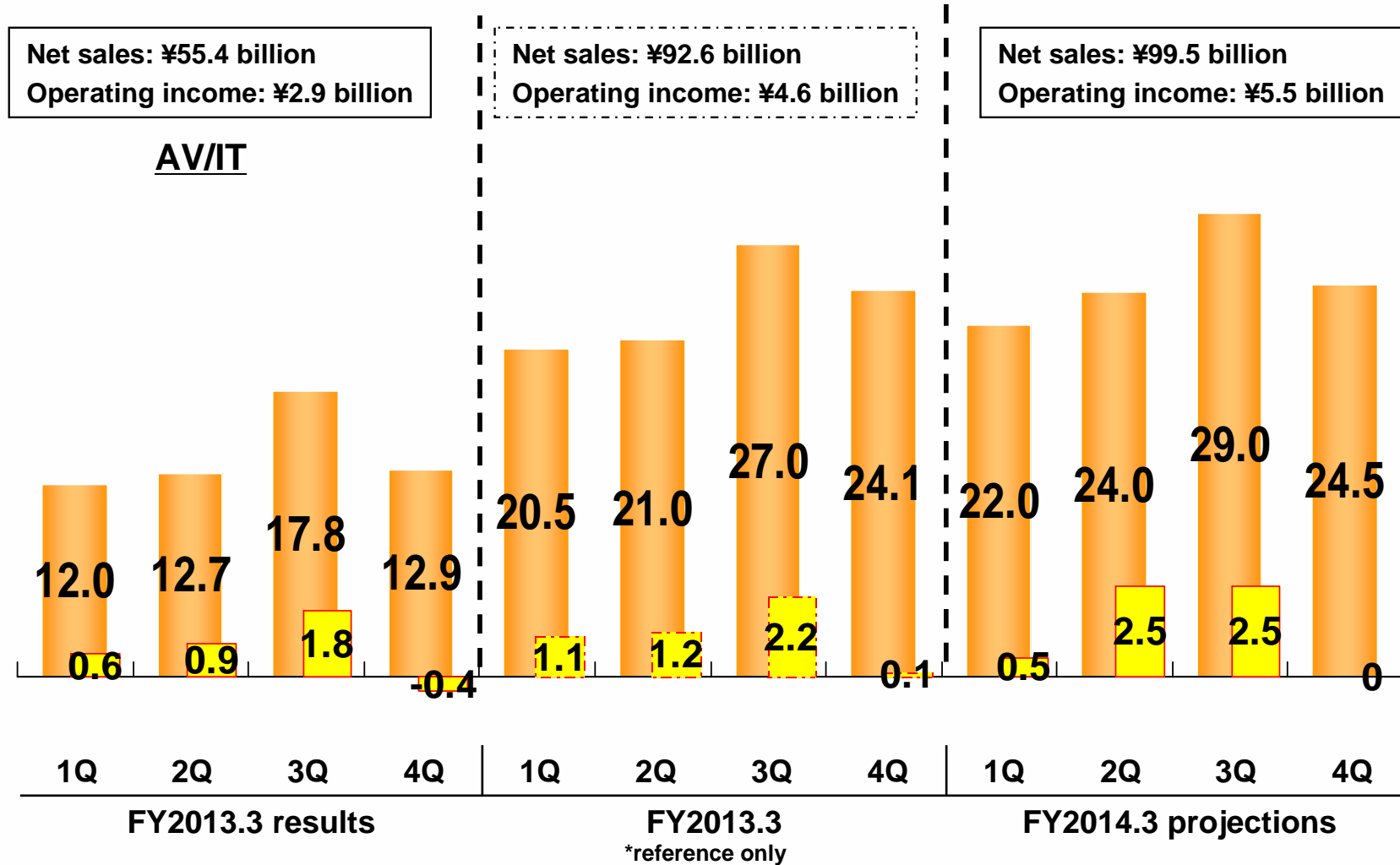


*FY2013.3 results are presented in new segments after the recalculation for comparison purpose.

Sales and Income by Quarter : Audio Equipment



(Billions of yen)

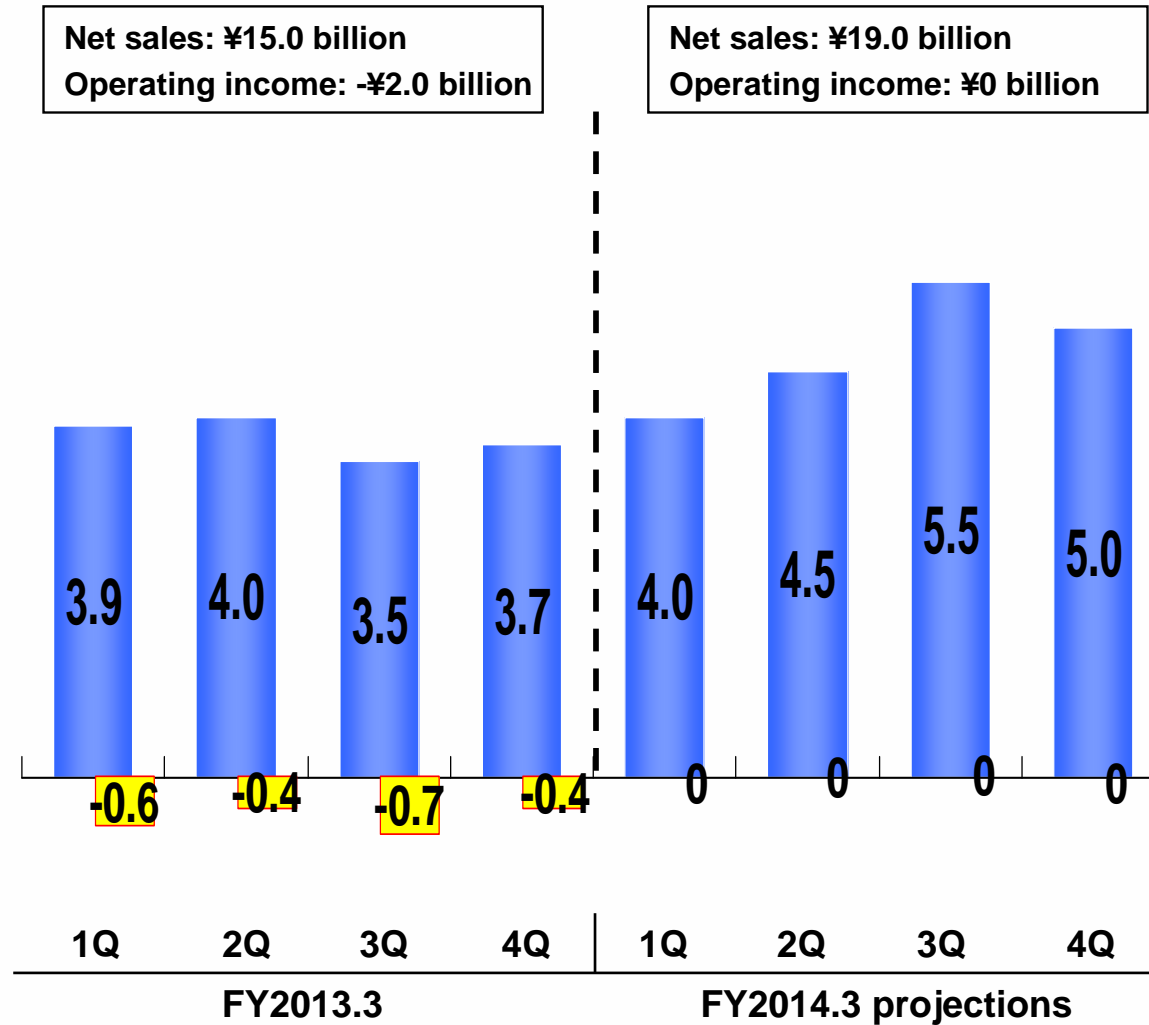


*FY2013.3 results are presented in new segments after the recalculation for comparison purpose.

Sales and Income by Quarter : Electronic Devices



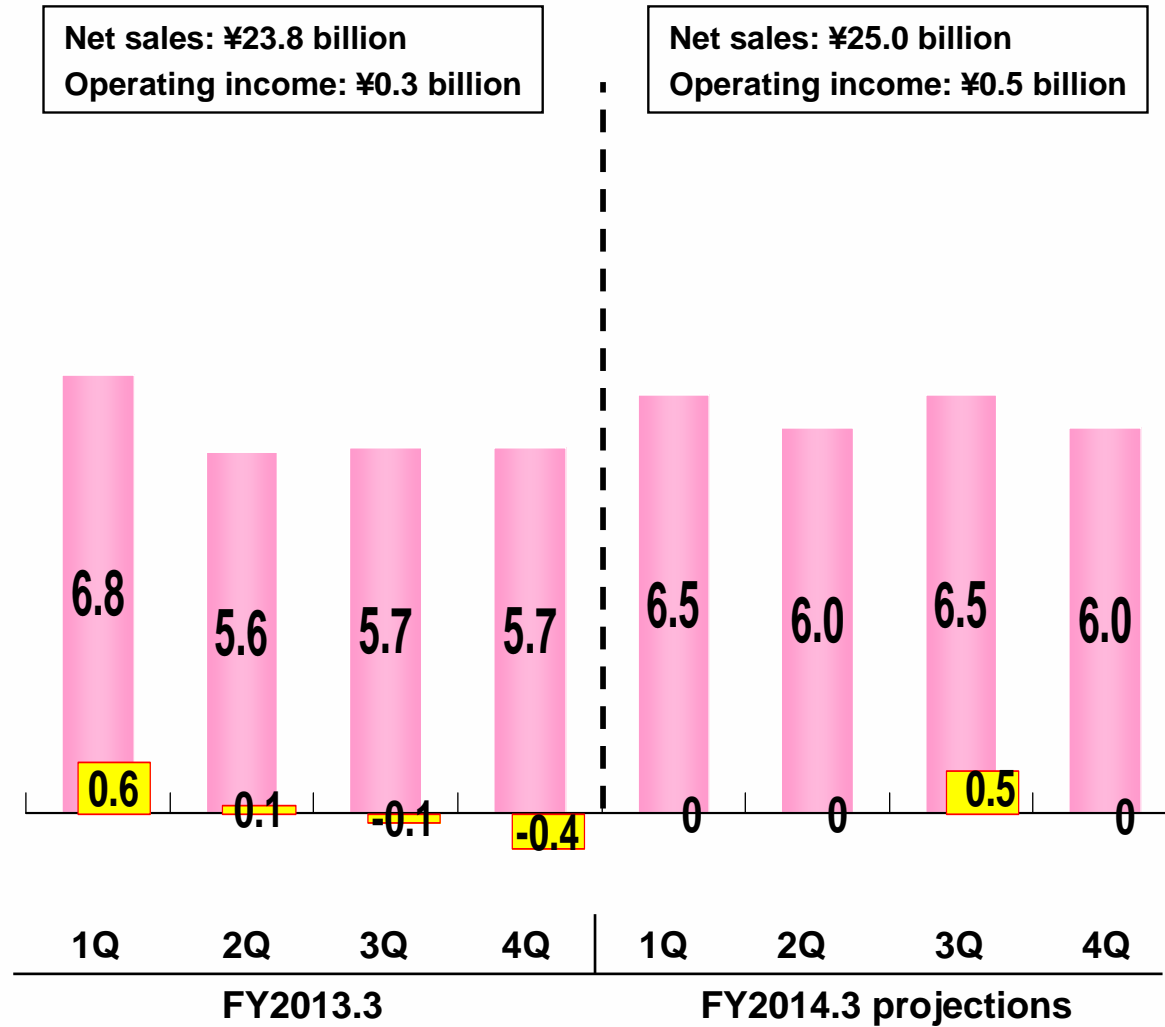
(Billions of yen)



Sales and Income by Quarter : Others



(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.