

Third Quarter of FY2018.3 Performance Outline

YAMAHA CORPORATION

February 5, 2018

(billions of yen)

	Three Months Results Ended Dec.31, 2016	Three Months Results Ended Dec.31, 2017	Nine Months Results Ended Dec.31, 2016	Nine Months Results Ended Dec.31, 2017	Results (Previous Year)	Projections (Full Year)	Previous Projections (Full Year) (announced on Nov. 28, 2017)
	FY2017.3	FY2018.3	FY2017.3	FY2018.3	FY2017.3	FY2018.3	FY2018.3
Net Sales	109.2	118.9	308.3	328.7	408.2	432.0	432.0
Japan Sales	33.7 (30.9%)	32.1 (27.0%)	101.3 (32.9%)	98.8 (30.1%)	138.4 (33.9%)	135.1 (31.3%)	137.7 (31.9%)
Overseas Sales	75.5 (69.1%)	86.8 (73.0%)	207.0 (67.1%)	229.9 (69.9%)	269.8 (66.1%)	296.9 (68.7%)	294.4 (68.1%)
Operating Income	12.7 (11.6%)	17.5 (14.8%)	37.4 (12.1%)	41.5 (12.6%)	44.3 (10.9%)	50.0 (11.6%)	50.0 (11.6%)
Ordinary Income	13.1 (12.0%)	16.9 (14.2%)	37.6 (12.2%)	41.6 (12.7%)	44.9 (11.0%)	50.0 (11.6%)	50.0 (11.6%)
Net Income ^{(*)1}	9.8 (9.0%)	29.9 (25.2%)	37.1 (12.0%)	49.6 (15.1%)	46.7 (11.4%)	57.0 (13.2%)	57.0 (13.2%)
Currency Exchange Rate (Settlement Rate) (=yen) ^{(*)2}	106/US\$ 114/EUR	113/US\$ 130/EUR	107/US\$ 121/EUR	112/US\$ 124/EUR	108/US\$ 121/EUR	110/US\$ ^{(*)6} 126/EUR	111/US\$ ^{(*)6} 126/EUR
ROE ^{(*)3}	11.8%	28.9%	15.1%	16.8%	14.0%	14.8%	14.6%
ROA ^{(*)4}	7.8%	19.9%	9.9%	11.7%	9.4%	10.3%	10.3%
Earnings per Share	52.5yen	159.9yen	197.6yen	264.6yen	249.2yen	305.8yen	304.0yen
Capital Expenditures (Depreciation Expenses)	5.6 (2.7)	4.1 (2.8)	11.9 (8.1)	15.2 (8.1)	17.5 (11.1)	25.3 (10.7)	26.3 (10.8)
R&D Expenses	6.2	6.2	18.1	18.3	24.4	25.2	25.7
Cash Flows							
Operating Activities	10.9	13.4	16.3	23.0	39.1	51.0	51.0
Investing Activities	-1.0	24.1	-7.3	12.4	-9.7	3.0	1.0
Free Cash Flow	9.9	37.5	9.0	35.4	29.4	54.0	52.0
Inventories at End of Period	-	-	97.4	99.6	93.1	96.9	92.7
Number of Employees							
Japan	-	-	6,082	5,903	5,937	5,900	5,900
Overseas	-	-	14,279	14,423	14,238	14,800	15,000
Total ^{(*)5}	-	-	20,361	20,326	20,175	20,700	20,900
(Changes from the changes in the scope of consolidation)	-	-	-	-	-	-	-
Temporary Staff (average during the period)	-	-	7,650	7,700	7,938	7,500	7,400
Net Sales by Business Segment							
Musical Instruments	68.1 (62.3%)	74.6 (62.7%)	196.5 (63.7%)	208.8 (63.5%)	257.7 (63.1%)	273.5 (63.3%)	271.5 (62.9%)
Audio Equipment	32.0 (29.3%)	34.7 (29.2%)	85.0 (27.6%)	92.3 (28.1%)	115.5 (28.3%)	122.5 (28.4%)	124.5 (28.8%)
Others	9.1 (8.4%)	9.6 (8.1%)	26.8 (8.7%)	27.7 (8.4%)	35.1 (8.6%)	36.0 (8.3%)	36.0 (8.3%)
Operating Income by Business Segment							
Musical Instruments	8.5	11.5	27.3	28.1	32.1	35.5	35.5
Audio Equipment	3.6	4.9	8.5	10.1	10.4	12.0	12.0
Others	0.5	1.2	1.6	3.3	1.7	2.5	2.5

Non-Consolidated Basis

Net Sales	52.7	60.0	171.4	182.3	215.8
Operating Income	4.4 (8.3%)	8.5 (14.2%)	15.1 (8.8%)	24.1 (13.2%)	15.6 (7.2%)
Ordinary Income	5.1 (9.7%)	8.7 (14.5%)	23.6 (13.8%)	33.8 (18.5%)	26.6 (12.3%)
Net Income	4.7 (8.9%)	24.5 (40.8%)	28.1 (16.4%)	45.1 (24.7%)	34.0 (15.7%)

* 1 Net income is presented as net income attributable to owners of parent on the consolidated financial statements.

* 2, 6 Currency exchange rate is the export and import transaction rate applied to profit calculation. 4Q Currency Exchange Rates US\$=105JPY EUR=130 JPY (exchange contract rate for Q4 EUR1=132JPY)

* 3, 4 The ROE and ROA for the interim period are calculated on an annually adjusted basis.

* 5 Number of Employees = Number of full-time staff at end of the period

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.