

## First Quarter of FY2005 Performance Outline

YAMAHA CORPORATION

(billions of yen)

	Initial Projections	Results	Results	Initial Projections	Projections	Results
	(May 07, 2004)		(Previous Year)	(May 07, 2004)		(Previous Year)
	1Q	1Q	1Q	FY2005	FY2005	FY2004
Net Sales	134.3	132.9	126.1	553.0	554.5	539.5
JAPAN Sales	86.1 (64.1%)	87.2 (65.6%)	81.5 (64.6%)	320.3 (57.9%)	319.6 (57.6%)	320.8 (59.5%)
Overseas Sales	48.2 (35.9%)	45.7 (34.4%)	44.6 (35.4%)	232.7 (42.1%)	234.9 (42.4%)	218.7 (40.5%)
Operating Income	11.9 (8.9%)	15.0 (11.3%)	11.8 (9.4%)	37.5 (6.8%)	39.0 (7.0%)	45.1 (8.4%)
Recurring Profit	13.6 (10.1%)	17.2 (12.9%)	13.4 (10.6%)	40.0 (7.2%)	41.0 (7.4%)	51.0 (9.5%)
Net Income	-19.2	-12.6	12.6 (10.0%)	16.0 (2.9%)	19.5 (3.5%)	43.5 (8.1%)
Currency Exchange Rate (=yen)	110/US\$ 127/EUR	109/US\$ 132/EUR	119/US\$ 124/EUR	110/US\$ 127/EUR	110/US\$ (*3) 128/EUR	114/US\$ 129/EUR
ROE(%)	-7.7%	-5.0%	5.7%	6.0%	7.3%	18.4%
ROA(%)	-3.9%	-2.5%	2.5%	3.3%	3.9%	8.5%
Earnings per share	-93.2yens	-61.1yens	61.4yens	77.6yens	94.6yens	210.6yens
Capital Expenditure	6.6	4.0	4.2	25.1	25.0	21.2
Depreciation	5.2	4.8	4.4	21.3	20.5	17.5
R&D Expenditure	5.7	5.4	5.5	23.0	23.1	22.5
Loans & Equivalents (*1)	30.4	22.3	50.0	3.1	2.3	16.8
Free Cash Flow						
Operating Activities	-3.2	1.0	3.4	37.3	37.6	58.3
Investing Activities	-6.7	-3.4	-5.4	-16.2	-16.2	-18.8
Total	-9.9	-2.4	-2.0	21.1	21.4	39.5
Inventories at end of period	76.2	79.3	88.5	68.1	70.4	72.1
No. of Employees						
JAPAN	12,060	11,964	12,230	11,806	11,777	11,849
Overseas	12,159	12,453	12,484	11,797	11,856	12,054
Total (*2)	24,219	24,417	24,714	23,603	23,633	23,903
Sales by Business segment						
Musical Instruments	74.9 (55.8%)	73.6 (55.4%)	72.6 (57.6%)	301.5 (54.5%)	304.0 (54.8%)	293.4 (54.4%)
AV/IT	17.7 (13.2%)	17.7 (13.3%)	14.2 (11.3%)	86.0 (15.6%)	86.0 (15.5%)	78.3 (14.5%)
Life Related	11.5 (8.6%)	10.4 (7.8%)	11.3 (9.0%)	46.0 (8.3%)	44.0 (7.9%)	44.8 (8.3%)
Electronic Equipment	20.2 (15.0%)	21.2 (16.0%)	16.9 (13.4%)	76.0 (13.7%)	77.5 (14.0%)	76.9 (14.3%)
Recreation	4.5 (3.4%)	4.3 (3.2%)	4.8 (3.8%)	20.5 (3.7%)	20.0 (3.6%)	20.1 (3.7%)
Others	5.5 (4.1%)	5.8 (4.4%)	6.3 (5.0%)	23.0 (4.2%)	23.0 (4.1%)	26.1 (4.8%)
Operating Income by Business segment						
Musical Instruments	5.1	6.6	5.5	14.0	15.5	10.5
AV/IT	0.4	1.8	0.2	4.0	4.5	4.4
Life Related	0.5	-0.1	0.4	1.5	0.1	1.5
Electronic Equipment	6.5	7.7	6.1	18.5	20.0	30.0
Recreation	-0.7	-0.8	-0.4	-1.0	-1.2	-1.1
Others	0.1	-0.2	0.0	0.5	0.1	-0.2

### Non Consolidated Basis

Net Sales	89.6	92.5	86.9	345.0	347.0	345.4
Operating Income	9.9 (11.0%)	13.7 (14.8%)	10.1 (11.6%)	21.0 (6.1%)	22.0 (6.3%)	27.0 (7.8%)
Recurring Profit	10.7 (11.9%)	14.7 (15.9%)	10.7 (12.3%)	22.0 (6.4%)	23.0 (6.6%)	28.1 (8.1%)
Net Income	-21.6	-18.3	10.8 (12.4%)	0.5 (0.1%)	0.5 (0.1%)	25.6 (7.4%)

\*1 Loans & Equivalents = Loans(Short term , Long term) + Convertible Bonds - Cash & Bank Deposit

\*2 No. of Employees = No. of Full-time Staff at end of period + Average No. of Temp. Staff

\*3 2Q-4Q Currency Exchange Rates US\$=110JPY EUR=127JPY

The forward-looking statements in this flash report contain inherent risks and uncertainties insofar as they are based on future projections and plans that may differ materially from the actual results achieved.