

# First Quarter of FY2017.3 Performance Outline

YAMAHA CORPORATION

August 2, 2016

(billions of yen)

	1Q Results (Previous Year) FY2016.3	1Q Results FY2017.3	Results (Previous Year) FY2016.3	Projections (Full Year) FY2017.3	Initial Projections (Full Year) (announced on April 28, 2016) FY2017.3
Net Sales	105.5	98.4	435.5	411.0	420.0
Japan Sales	39.2 (37.2%)	34.4 (35.0%)	145.0 (33.3%)	140.2 (34.1%)	140.0 (33.3%)
Overseas Sales	66.3 (62.8%)	64.0 (65.0%)	290.5 (66.7%)	270.8 (65.9%)	280.0 (66.7%)
Operating Income	8.9 (8.4%)	11.8 (12.0%)	40.7 (9.3%)	42.0 (10.2%)	42.0 (10.0%)
Ordinary Income	8.5 (8.0%)	11.5 (11.6%)	40.9 (9.4%)	42.0 (10.2%)	42.0 (10.0%)
Net Income <sup>(*1)</sup>	6.3 (5.9%)	22.5 (22.9%)	32.6 (7.5%)	45.5 (11.1%)	45.5 (10.8%)
Currency Exchange Rate (Settlement Rate) (=yen)	121/US\$ 133/EUR	111/US\$ 126/EUR	121/US\$ 134/EUR	106/US\$ <sup>(*7)</sup> 120/EUR	110/US\$ 125/EUR
ROE <sup>(*2)</sup>	7.2%	30.1%	10.1%	14.9%	14.3%
ROA <sup>(*3)</sup>	4.7%	19.7%	6.5%	9.8%	9.5%
Earnings per Share	32.3 yen	119.8 yen	168.9 yen	242.6 yen	242.7 yen
Capital Expenditures (Depreciation Expenses)	2.6 (3.0)	3.6 (2.8)	11.2 (12.7)	20.7 (11.7)	20.6 (12.6)
R&D Expenses	6.0	6.0	24.8	25.6	25.9
<b>Cash Flows</b>					
Operating Activities	6.8	2.6	42.4	43.0	43.0
Investing Activities	-5.0	-3.2	0.6	-21.0	-21.5
Total	1.8	-0.6	43.0	22.0	21.5
Inventories at End of Period	97.4	93.3	91.9	86.3	87.8
<b>Number of Employees</b>					
Japan	6,595	6,226	6,149	6,200	6,200
Overseas	13,662	14,413	14,199	14,600	14,700
Total <sup>(*4)</sup>	20,257	20,639	20,348	20,800	20,900
(Changes from the changes in the scope of consolidation)	(21)	(-125)	(-102)	(-)	(-)
Temporary Staff (average during the period)	7,970	8,239	7,990	7,800	8,000
<b>Sales by Business Segment</b>					
Musical Instruments <sup>(*5)</sup>	70.4 (66.7%)	64.7 (65.7%)	277.4 (63.7%)	258.0 (62.8%)	263.0 (62.6%)
Audio Equipment <sup>(*5)</sup>	25.1 (23.8%)	25.5 (26.0%)	120.9 (27.8%)	116.0 (28.2%)	120.0 (28.6%)
Others <sup>(*6)</sup>	10.0 (9.5%)	8.2 (8.3%)	37.2 (8.5%)	37.0 (9.0%)	37.0 (8.8%)
<b>Operating Income by Business Segment</b>					
Musical Instruments <sup>(*5)</sup>	7.1	9.4	31.7	32.5	32.5
Audio Equipment <sup>(*5)</sup>	1.0	2.0	8.5	9.0	9.0
Others <sup>(*6)</sup>	0.8	0.4	0.4	0.5	0.5

## Non-Consolidated Basis

Net Sales	58.5	58.3	232.8
Operating Income	3.9 (6.7%)	5.0 (8.6%)	15.2 (6.5%)
Ordinary Income	14.4 (24.6%)	12.0 (20.6%)	27.1 (11.7%)
Net Income	13.0 (22.2%)	22.1 (37.8%)	20.2 (8.7%)

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

\* 2, 3 ROE and ROA are calculated on an annually adjusted basis.

\* 4 Number of employees = Number of full-time staff at end of period

\* 5 Effective in FY2017.3, soundproof room business which was previously reported as a part of the musical instrument segment has now been reported as a part of the audio equipment segment. The figures for FY2016.3 reflect the new segment accordingly.

\* 6 Effective in FY2017.3, others segment includes electronic devices segment which was closed at the end of FY2016.3. The figures for FY2016.3 has been adjusted to conform to current year disclosure for reference only.

\* 7 2Q-4Q currency exchange rates US\$1=JPY105, EUR1=JPY115 (exchange contract rate for Q2 EUR1=JPY121)

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.