

# YAMAHA CORPORATION

## Overview of Consolidated Performance in the First Quarter of the Fiscal Year Ended March 31, 2004 (April 1, 2003, to June 30, 2003)

August 8, 2003

**Company name:** YAMAHA CORPORATION  
(URL <http://www.yamaha.co.jp/english/ir/report/>)

**Code number:** 7951

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**Stock listings:** Tokyo Stock Exchange (First Section)

### 1. ITEMS RELATED TO THE PREPARATION OF PERFORMANCE DATA FOR THE PERIOD

(1) Difference in Accounting Policies from the Fiscal Year Ended March 31, 2003: Yes (Simplified accounting procedures used in some instances.)

(2) Changes in the Status of Consolidated Companies and Companies Accounted for using the Equity Method

*Consolidated companies:*

Number of companies newly consolidated: 7

Number of companies removed from consolidation: 1

*Equity method:*

Number of companies newly accounted for using the equity method: —

Number of companies removed from the equity method: —

From the consolidated fiscal year under review, consolidated subsidiaries with fiscal years not corresponding to the parent company's consolidated fiscal year prepare their financial accounts on consolidated accounting dates using semi-formal, rational methods. This system is being implemented from the quarterly fiscal period under review.

### 2. OVERVIEW OF CONSOLIDATED PERFORMANCE IN THE FIRST QUARTER OF THE FISCAL YEAR ENDED MARCH 31, 2004 (April 1, 2003, to June 30, 2003)

Figures of less than ¥1 million have been omitted.

#### (1) Consolidated Operating Results

	Net sales		Operating income		Recurring profit		Net income	
	Millions of yen	(% change from the previous fiscal year)	Millions of yen	(% change from the previous fiscal year)	Millions of yen	(% change from the previous fiscal year)	Millions of yen	(% change from the previous fiscal year)
First Quarter of FY2004	¥126,124	—	¥11,859	—	¥13,417	—	¥12,663	—
First Quarter of FY2003	¥ —	—	¥ —	—	¥ —	—	¥ —	—
(Reference) FY2003	¥524,763		¥32,043		¥33,839		¥17,947	

	Net income per share	Net income per share after full dilution
	Yen	Yen
First Quarter of FY2004	¥61.43	¥56.53
First Quarter of FY2003	¥ —	¥ —
(Reference) FY2003	¥86.65	¥77.32

Note: Because the period under review is the first quarterly period for which the Company has disclosed performance data, figures for quarterly period performance in the previous fiscal year are not shown.

### Qualitative and Other Information on Consolidated Performance

YAMAHA's operating environment in the quarterly fiscal period under review was unpredictable due to such factors as poor domestic market conditions, economic deceleration in Europe and North America, and the emergence of SARS. Regarding sales, YAMAHA recorded weak sales in the AV/IT business, but sales in the semiconductor business were robust. Overall profitability was somewhat higher than initial forecasts by the Company.

#### (2) Consolidated Financial Data

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
First Quarter of FY2004	¥512,718	¥230,148	44.9	¥1,116.52
First Quarter of FY2003	¥ —	¥ —	—	¥ —
(Reference) FY2003	¥512,716	¥214,471	41.8	¥1,040.06

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
First Quarter of FY2004	¥ 3,456	¥ (5,471)	¥(9,964)	¥31,710
First Quarter of FY2003	¥ —	¥ —	¥ —	¥ —
(Reference) FY2003	¥33,052	¥(21,645)	¥(8,582)	¥42,976

### 3. FORECASTS OF RESULTS FOR FY2004 (April 1, 2003 to March 31, 2004)

As of August 8, 2003 (Revised Forecast)

	Net sales	Recurring profit	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	yen
FY2004 interim period	¥264,000	¥21,500	¥19,000	¥ 92.17
FY2004	¥541,000	¥37,000	¥31,000	¥150.39

As of May 9, 2003 (Initial Forecast)

	Net sales	Recurring profit	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	yen
FY2004 interim period	¥269,000	¥19,500	¥17,000	¥ —
FY2004	¥547,000	¥35,000	¥29,000	¥140.69

### Qualitative and Other Information on Projected Performance

Compared with the original consolidated performance forecasts for the current fiscal year, lower revenues are now expected in the AV/IT and Lifestyle-Related Products segments, while increased profitability is now projected for the Electronic Equipment and Metal Products segment.

#### Forecast of Non-Consolidated Performance in the Fiscal Year Ended March 2004 (April 1, 2003 to March 31, 2004)

As of August 8, 2003 (Revised Forecast)

	Net sales	Recurring profit	Net income	Interim dividends per share	Year-end dividends per share	Dividends per share for the year
	Millions of yen	Millions of yen	Millions of yen	yen	yen	yen
FY2004 interim period	¥174,000	¥15,000	¥14,000	¥5.00	—	—
FY2004	¥334,000	¥16,000	¥14,000	—	¥5.00	¥10.00

As of May 9, 2003 (Initial Forecast)

	Net sales	Recurring profit	Net income	Interim dividends per share	Year-end dividends per share	Dividends per share for the year
	Millions of yen	Millions of yen	Millions of yen	yen	yen	yen
FY2004 interim period	¥174,000	¥11,000	¥10,000	¥5.00	—	—
FY2004	¥338,000	¥14,000	¥12,000	—	¥5.00	¥10.00

## Qualitative and Other Information on Projected Performance

Compared with the original non-consolidated performance forecasts for the current fiscal year, lower revenues are now expected in the AV/IT while increased profitability is now projected for the semiconductor business. The Company also expects to register the effects of measures taken in response to the SARS crisis, especially the accelerated shipment of musical instruments in the first half of the year.

Forecasts of performance are made by the Company based on information currently available. Actual performance may differ from forecasts.

(Supplementary Data)

## 1. SUMMARY OF CONSOLIDATED STATEMENTS OF INCOME

	First quarter of fiscal 2004 (April 1, 2003–June 30, 2003)		FY2003 (April 1, 2002–March 31, 2003)	
	Millions of yen	%	Millions of yen	%
<b>Net sales</b>	<b>¥126,124</b>	<b>100.0</b>	¥524,763	100.0
<b>Cost of sales:</b>	<b>77,493</b>	<b>61.4</b>	338,440	64.5
Unrealized profit	23		133	
Gross profit	<b>48,654</b>	<b>38.6</b>	186,456	35.5
<b>Selling, general and administrative expenses:</b>	<b>36,795</b>	<b>29.2</b>	154,413	29.4
Operating income	<b>11,859</b>	<b>9.4</b>	32,043	6.1
<b>Non-operating income</b>	<b>3,102</b>	<b>2.4</b>	9,994	1.9
<b>Non-operating expenses</b>	<b>1,543</b>	<b>1.2</b>	8,197	1.6
Recurring profit	<b>13,417</b>	<b>10.6</b>	33,839	6.4
<b>Other profit</b>	<b>129</b>	<b>0.1</b>	460	0.1
<b>Other loss</b>	<b>79</b>	<b>0.0</b>	11,687	2.2
<b>Income before income taxes and minority interests</b>	<b>13,468</b>	<b>10.7</b>	22,612	4.3
<b>Current income taxes</b>	<b>550</b>	<b>0.5</b>	3,962	0.8
<b>Deferred income taxes</b>	<b>149</b>	<b>0.1</b>	65	0.0
<b>Minority interests</b>	<b>103</b>	<b>0.1</b>	636	0.1
<b>Net income</b>	<b>¥ 12,663</b>	<b>10.0</b>	¥ 17,947	3.4

Note: Figures of less than ¥1 million have been omitted.

## 2. SEGMENT INFORMATION

Business Segments (First quarter of fiscal 2004 (April 1, 2003–June 30, 2003))

(Millions of yen)

	Musical instruments	AV/IT products	Lifestyle-related products	Electronic equipment and metal products	Recreation	Other	Total	Eliminations or unallocated amounts	Consolidated
Sales to external customers	¥72,644	¥14,183	¥11,277	¥16,944	¥4,771	¥6,303	¥126,124	¥ —	¥126,124
Intersegment sales or transfers				466			466	(466)	—
Total sales	72,644	14,183	11,277	17,410	4,771	6,303	126,590	(466)	126,124
Operating expenses	67,098	13,967	10,905	11,267	5,223	6,269	114,731	(466)	114,265
Operating income (loss)	¥ 5,546	¥ 215	¥ 372	¥ 6,142	¥ (451)	¥ 33	¥ 11,859	¥ —	¥ 11,859

## 3. OVERSEAS SALES (First quarter of fiscal 2004 (April 1, 2003–June 30, 2003))

(Millions of yen)

	North America	Europe	Asia, Oceania and other areas	Total
Overseas sales	¥16,351	¥16,935	¥11,322	¥ 44,608
Net sales	—	—	—	126,124
% of net sales	13.0%	13.4%	9.0%	35.4%