YAMAHA CORPORATION

Flash Report

Consolidated Basis (Japanese GAAP)

Results for the fiscal year ended March 31, 2015

April 30, 2015

Company name:	YAMAHA CORPORATION (URL http://www.yamaha.com)
Code number:	7951
Stock listing:	Tokyo Stock Exchange (First Section)
Address of headquarters:	10-1, Nakazawa-cho, Naka-ku, Hamamatsu, Shizuoka 430-8650, Japan
Representative director:	Takuya Nakata, President and Representative Director
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Scheduled date of Ordinary General Shareholders' Meeting:	June 23, 2015
Scheduled date to submit Securities Report:	June 24, 2015
Scheduled date to begin dividend payments:	June 24, 2015
Supplementary materials to the financial statements have been prepared:	Yes
Presentation will be held to explain the financial statements:	Yes (for securities analysts and institutional investors)

1. Results for FY2015.3 (April 1, 2014–March 31, 2015)

Figures of less than ¥1 million have been omitted.

(1) Consolidated Operating Results

(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		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
FY2015.3 (Ended March 31, 2015)	**¥432,177**	**5.3%**	**¥30,135**	**15.9%**	**¥31,231**	**19.4%**	**¥24,929**	**8.9%**
FY2014.3 (Ended March 31, 2014)	¥410,304	11.8%	¥25,994	182.1%	¥26,146	204.7%	¥22,898	455.5%

Note: Comprehensive income:

FY2015.3 ¥82,118 million, 60.4%

FY2014.3 ¥51,201 million, 98.9%

	Net income per share	Net income per share after full dilution	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2015.3 (Ended March 31, 2015)	**¥128.75**	**¥—**	**8.1%**	**6.4%**	**7.0%**
FY2014.3 (Ended March 31, 2014)	¥118.26	¥—	9.2%	6.3%	6.3%

(For reference) Equity in earnings of non-consolidated subsidiaries and affiliates:

FY2015.3 ¥(20) million

FY2014.3 ¥ 20 million

(2) Consolidated Financial Data

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2015.3 (As of March 31, 2015)	**¥530,034**	**¥348,752**	**65.3%**	**¥1,787.42**
FY2014.3 (As of March 31, 2014)	¥438,932	¥274,843	61.9%	¥1,403.12

(For reference) Shareholders' equity:
FY2015.3 ¥346,086 million
FY2014.3 ¥271,681 million

(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
FY2015.3 (Ended March 31, 2015)	**¥31,729**	**¥(11,700)**	**¥(5,909)**	**¥76,159**
FY2014.3 (Ended March 31, 2014)	¥33,213	¥(22,950)	¥(4,745)	¥57,524

2. Dividends

	Annual dividends					Total dividends (annual)	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full fiscal year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2014.3	—	¥7.50	—	¥19.50	¥27.00	¥5,227	22.8%	2.1%
FY2015.3	**—**	**¥13.50**	**—**	**¥22.50**	**¥36.00**	**¥6,970**	**28.0%**	**2.3%**
FY2016.3 (Forecast)	—	¥18.00	—	¥18.00	¥36.00		27.3%	

3. Consolidated Financial Forecasts for FY2016.3 (April 1, 2015–March 31, 2016)

(Percentage figures for the full fiscal year are changes from the previous fiscal year, and those for the first half are changes from the previous same period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY2016.3 (First Half)	¥214,000	3.7%	¥16,500	9.4%	¥16,000	6.2%	¥12,000	11.2%	¥ 61.98
FY2016.3 (Full Year)	¥435,000	0.7%	¥34,000	12.8%	¥33,000	5.7%	¥25,500	2.3%	¥131.70

Footnote Items:

(1) Changes in the state of material subsidiaries during the period (Changes regarding significant subsidiaries accompanying changes in the scope of consolidation): None

(2) Changes in accounting principles, changes in accounting estimates, and changes in presentation due to revisions
- (a) Changes in accounting principles accompanying revisions in accounting standards: None
- (b) Changes other than those in (a) above: None
- (c) Changes in accounting estimates: None
- (d) Changes in presentation due to revisions: None

(3) Number of shares issued (common shares)

(a) Number of shares issued at the end of the period (including treasury stock)	**FY2015.3**	**197,255,025 shares**	FY2014.3	197,255,025 shares
(b) Number of treasury stock at the end of the period	**FY2015.3**	**3,631,425 shares**	FY2014.3	3,628,117 shares
(c) Average number of shares issued during the period	**FY2015.3**	**193,625,357 shares**	FY2014.3	193,629,006 shares

(For Reference) Non-Consolidated Results

1. Non-consolidated results for FY2015.3 (April 1, 2014–March 31, 2015)

(1) Non-consolidated operating results

(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2015.3 (Ended March 31, 2015)	**¥233,744**	**4.5%**	**¥10,507**	**29.2%**	**¥24,520**	**58.1%**	**¥25,264**	**42.9%**
FY2014.3 (Ended March 31, 2014)	¥223,687	(3.3)%	¥8,132	—%	¥15,508	148.9%	¥17,683	204.7%

	Net income per share	Net income per share after full dilution
	Yen	Yen
FY2015.3 (Ended March 31, 2015)	**¥130.48**	**¥—**
FY2014.3 (Ended March 31, 2014)	¥91.32	¥—

(2) Non-consolidated financial data

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2015.3 (As of March 31, 2015)	**¥390,220**	**¥259,025**	**66.4%**	**¥1,337.78**
FY2014.3 (As of March 31, 2014)	¥315,981	¥197,074	62.4%	¥1,017.80

(For reference) Shareholders' equity:

FY2015.3 ¥259,025 million
FY2014.3 ¥197,074 million

Footnote Items:

Status of Performance of Auditing Procedures
This flash report is exempt from the auditing procedures based on Japan's Financial Instruments and Exchange Law. At the time when this flash report was disclosed, the auditing procedures based on the Financial Instruments and Exchange Law had not been completed.

Explanation of the Appropriate Use of Performance Forecasts and Other Related Items
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.

For further information regarding consolidated financial forecasts, please refer to page 3.

The materials to be distributed for this earnings presentation and other materials will be posted on the Company's website immediately after the presentation is concluded.

Table of Contents of Supplementary Materials

1. Management Performance

(1) Analysis of Management Performance

1. Review of the Fiscal Year (FY2015.3)
Looking back at the operating environment during the fiscal year ended March 31, 2015, the economy of the United States moved toward recovery due to firmness in private consumption amid improvement in the employment environment. In Europe, in Germany, the leading country in the region, the economy showed some improvement beginning in the latter half of the fiscal year; as a result of conditions in the Ukraine, the debt problems in Greece, and other circumstances, conditions continued to be unstable. In China, exports showed recovery, and consumer spending continued to be relatively firm, but economic growth decelerated compared with the past. In other emerging countries, growth rates became stagnant as a result of the decline in resource prices, including crude oil, the decline in the value of emerging country currencies against the U.S. dollar, and other factors. On the other hand, in Japan, although there was some impact from the reactionary decline that followed the surge in demand in advance of the increase in the consumption tax rate, a trend toward moderate recovery emerged, beginning in the latter half of the fiscal year.

Amid this operating environment, the Yamaha Group was in the second year of implementing its medium-term management plan, Yamaha Management Plan 2016 (YMP2016), which started on April 1, 2013. During the fiscal year under review, the Group continued initiatives to carry out its key strategies of "accelerating growth in China and other emerging countries," "expanding sales in the electronics business domain," "strengthening cost-competitiveness," and "developing new businesses."

Regarding the strategy of "accelerating growth in China and other emerging countries," the Group expanded its market share in these countries by launching strategic piano, guitar, and other product models that are suited to the regional markets. Also in China, the Group further developed its sales network, focusing on authorized piano dealers. In Indonesia also, the Group expanded its sales network through the development of its "Music Square" concept shops in collaboration with its music schools. In India, the Group's sales subsidiary expanded sales through expansion in the number of customer companies and revisions in its pricing strategy.

To implement the key strategy of "expanding sales in the electronics business domain," Yamaha promoted expansion in sales through the introduction of digital keyboard instruments and professional audio equipment that are suited to market needs. Also, in the market for audio products for commercial spaces, which Yamaha entered in the previous fiscal year and is currently working to expand, the number of orders delivered increased, especially in Europe and Japan.

For "strengthening cost-competitiveness," the Group proceeded with activities to reduce the procurement costs of parts and materials as well as lower manufacturing costs and was able to absorb its run-up in labor costs overseas, thereby promoting cost reduction in line with the plan.

In the area of "developing new businesses," the Yamaha Group worked with subsidiaries Line 6, Inc. and Revolabs, Inc., which became wholly owned subsidiaries in the previous fiscal year, to combine their technology and know-how with the Group's accumulated knowledge and technology to conduct joint development to create new value for customers. As a result, the Group accelerated new businesses growth and realized synergies.

Note that, as part of domestic business structural reforms, as of April 1, 2014, the Group's musical instruments and audio equipment manufacturing divisions in Japan were spun off into three wholly owned subsidiaries. Piano production is now conducted by Yamaha Piano Manufacturing Japan Co., Ltd.; wind, string, and percussion instrument manufacturing is conducted by Yamaha Musical Products Japan Co., Ltd.; and digital musical instruments and audio equipment is produced by Yamaha Music Electronics Japan Co., Ltd. Also, to cope with changes in the market for electronic devices and respond to competition, Yamaha decided to transfer the semiconductor manufacturing business of Yamaha Kagoshima Semiconductor Inc. and conduct semiconductor production through fabless production to achieve substantially greater flexibility and agility in this business.

Sales for the fiscal year under review were ¥432,177 million (an increase of 5.3% from the previous fiscal year).

In terms of profits, the Group achieved operating income of ¥30,135 million (an increase of 15.9% from the previous fiscal year), ordinary income of ¥31,231 million (an increase of 19.4% from the previous fiscal year), and net income of ¥24,929 million (an increase of 8.9% from the previous fiscal year).

Results of operations by segment were as follows:

Musical Instruments
In part because of the reactionary slump in demand following the increase in the consumption tax rate, sales of pianos in Japan were weak, but overseas sales, principally in North America and China, expanded, resulting in firm sales overall for the fiscal year. In digital musical instruments, sales of digital pianos increased in all regions because of model changes in the mainstay Clavinova CLP Series and other factors. In addition, sales of Electones™ increased substantially because of the introduction of new products in this series for the first time in 10 years. In particular, sales of a unit that can be upgraded, thus enabling transition to new models without purchasing an entirely new instrument, were especially strong and were a major driver in expanding overall sales in Japan. In the wind instruments business, sales expanded especially in North America. Among string and percussion instruments, sales of guitars grew in all regions, especially for products priced for the mass market. In the medium- to high-priced price range, growth in sales of the L Series acoustic guitars continued to be favorable. Among other businesses, the number of pupils enrolled in Yamaha

Music Schools decreased, resulting in lackluster sales in this business.

As a result, sales of this segment amounted to ¥281,667 million (an increase of 7.4% from the previous fiscal year), and operating income was ¥25,064 million (a gain of 27.0% over the previous fiscal year).

Audio Equipment
In audio products, despite signs of recovery in North America, the business environment continued to be difficult and sales declined. Yamaha launched a new category of products, Relit lighting audio systems, and this became a popular topic of conversation, mainly in Europe, but sales of mainstay AV receivers were lackluster. In the professional audio equipment business, sales in Europe were favorable, and sales of audio equipment for concert halls and theaters in Japan contributed to expansion. Performance of new products, including digital mixers, powered speakers, and audio interfaces for music production, was firm. Also, Yamaha deepened its penetration of the market for professional equipment, including built-in type ceiling speakers. Although sales of commercial online karaoke equipment decreased, sales in the Information & Communication Technology (ICT) equipment business, including routers for SOHO use and conferencing systems, increased.

As a result, sales of this segment were ¥112,839 million (an increase of 7.0% from the previous fiscal year), and operating income amounted to ¥6,133 million (an increase of 4.6% from the previous fiscal year).

Electronic Devices
In the semiconductor business, the business environment did not improve, and sales of magnetic sensors (electronic compasses) for smart phones as well as graphic controllers for amusement equipments were lackluster.

Overall sales for this segment amounted to ¥13,435 million (a decrease of 28.6% from the previous fiscal year), and operating loss amounted to ¥1,446 million (an operating income of ¥770 million occurred in the previous fiscal year).

Others
Sales of automobile interior components increased. Orders for factory automation equipment recovered and sales expanded. On the other hand, sales in the golf products and resort businesses decreased.

As a result, sales of this sector as a whole amounted to ¥24,235 million (an increase of 2.3% over the previous fiscal year), and the operating income amounted to ¥384 million (compared with an operating loss of ¥370 million in the previous fiscal year).

Sales by region, based on the location of customers, are as follows:

The percentage of consolidated net sales in overseas markets for the fiscal year was 62.9%, 3.8 percentage points higher than in the previous fiscal year.

Japan
Sales on a consolidated basis in Japan for the fiscal year were ¥160,374 million, ¥7,529 million (or 4.5%) lower than in the previous fiscal year. Sales of digital musical instruments and professional audio equipment increased, but sales of pianos, semiconductors, and certain other products decreased.

North America
Sales in North America amounted to ¥79,747 million, ¥13,111 million (or 19.7%) higher than in the previous fiscal year. This increase was accounted for mainly by expansion in sales of pianos and wind instruments.

Europe
Sales in Europe were ¥80,277 million, ¥5,414 million (or 7.2%) above the previous fiscal year. Although sales of audio products declined, sales of guitars, professional audio equipment, and other products increased.

Asia, Oceania, and Other Areas
Sales in Asia (excluding Japan), Oceania, and other areas amounted to ¥111,778 million, ¥10,876 million (or 10.8%) higher than in the previous fiscal year. Sales of pianos and digital musical instruments in China rose, and, although sales of audio products decreased in other areas, sales of digital musical instruments, guitars, and other products increased.

2. Forecast for FY2016.3
The forecast for consolidated performance for the year ending March 2016 calls for net sales of ¥435.0 billion (an increase of 0.7%), operating income of ¥34.0 billion (an increase of 12.8%), ordinary income of ¥33.0 billion (an increase of 5.7%) and net income attributable to the owners of the parent company of ¥25.5 billion (an increase of 2.3%).

These forecasts take account of a decline in sales of ¥12.4 billion due to the transfer of the operations of music schools in Japan to the Yamaha Music Foundation, and the impact of foreign currency fluctuations.

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.

(2) Analysis of Financial Position

1. Consolidated Financial Position

1) Assets

Total assets increased ¥91,101 million (or 20.8%) from the previous fiscal year-end, to ¥530,034 million. Of this total, current assets rose ¥33,144 million (or 15.5%), to ¥247,632 million, owing mainly to rises in cash and deposits and notes and accounts receivable—trade. In addition, noncurrent assets increased ¥57,956 million (or 25.8%), to ¥282,402 million, mainly because of an increase in investment securities accompanying with the higher market values of available-for-sale securities.

2) Liabilities

Total liabilities rose ¥17,192 million (or 10.5%) from the previous fiscal year-end, to ¥181,282 million. Of this total, current liabilities increased ¥7,831 million (or 10.7%), to ¥80,976 million. On the other hand, noncurrent liabilities rose ¥9,361 million (or 10.3%), to ¥100,306 million.

3) Net Assets

Net assets increased ¥73,908 million (or 26.9%) from the previous fiscal year-end, to ¥348,752 million. This rise was due to the increase in retained earnings because of reporting of net income for the fiscal year-end as well as an increase in total other comprehensive income resulting from an increase in the current market price of available-for-sale securities and a reduction of the negative gap in foreign currency translation adjustment due to fluctuations in the exchange rate.

2. Cash Flows

Cash and cash equivalents (hereinafter, cash) at the end of the fiscal year ended March 31, 2015, showed an increase of ¥18,634 million (compared with an increase of ¥8,060 million in the previous fiscal year), and stood at ¥76,159 million.

Cash Flows from Operating Activities

As a result mainly of the contribution to cash flows of income before income taxes and minority interests, cash flows provided by operating activities amounted to ¥31,729 million (compared with cash flows provided by operating activities of ¥33,213 million in the previous fiscal year).

Cash Flows from Investing Activities

Net cash used in investing activities amounted to ¥11,700 million (compared with net cash flows used in investing activities of ¥22,950 million in the previous fiscal year). This net cash outflow was used primarily for the purchase of property, plant and equipment and certain other items.

Cash Flows from Financing Activities

Net cash used in financing activities amounted to ¥5,909 million (compared with net cash used in financing activities of ¥4,745 million in the previous fiscal year). This net cash outflow was due mainly to cash dividends paid and certain other items.

(For Reference) Trends in Cash-Flow Indicators

	FY2015.3	FY2014.3	FY2013.3	FY2012.3	FY2011.3
Shareholders' equity ratio	**65.3%**	61.9%	58.1%	55.6%	61.9%
Shareholders' equity ratio based on current market price	**76.9%**	58.6%	46.3%	45.3%	46.7%
Ratio of interest-bearing debt to cash flow	**37.6%**	26.5%	129.8%	104.3%	52.5%
Interest coverage ratio	**123.7 times**	150.8 times	31.8 times	35.1 times	63.4 times

(Calculation Methods)

Shareholders' equity ratio (%) = total shareholders' equity ÷ total assets

Shareholders' equity ratio based on current market price (%) = total market value of common stock ÷ total assets

Ratio of interest-bearing debt to cash flow (%) = interest-bearing debt ÷ net cash flows provided by (used in) operating activities

Interest coverage ratio (times) = net cash flows provided by (used in) operating activities ÷ interest payments

Notes: 1. All indicators are calculated based on consolidated financial figures.
2. Interest-bearing debt includes all balance-sheet debt for which interest payments are being made.
3. Figures for net cash flows provided by operating activities and interest payments are those from the cash flows from operating activities and interest paid from consolidated financial statements of cash flows.

3. Forecast for FY2016.3

The forecast for FY2016.3 is for an increase in cash flows from operating activities as a result of a rise in income before income taxes and minority interests compared with the FY2015.3. Among cash flows from investing activities, Yamaha is planning to increase cash used over the level of the prior year

(3) Basic Policy for Allocation of Profit and Dividends and Dividends for FY2015.3 and FY2016.3

Considering the improvement of its consolidated return on equity and taking the medium-term consolidated income level as a base, the Company makes appropriate allocations to retained earnings for the purpose of strengthening its operating base, such as R&D, investing in marketing capabilities, making other capital investments, while also adopting a basic policy on returning profits to shareholders based on consolidated performance. Specifically, the Company endeavors to return profits on a basis of continuous and steady cash dividends, with a target consolidated payout ratio of 30% or higher.

For the year-end dividend for FY2015.3, the Company decided to pay a regular dividend on its common stock of ¥22.50 per share in view of the above-mentioned policy for allocation of profit and dividends, its financial position, and other factors. Regarding dividends for FY2016.3, the Company is planning to pay a regular dividend of ¥36.00 per share for the full fiscal year (consisting of an interim dividend of ¥18.00 per share and a year-end dividend of ¥18.00 per share).

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.

2. Management Policies

(1) Basic Management Policy

The Yamaha Group aims to sustain its growth as a company that, with its unique expertise and sensibilities gained from its devotion to sound and music, is committed to creating excitement and cultural inspiration together with people around the world. To this end, the Company will expedite decision-making processes, work to create technological innovation, strengthen its capabilities for responding to rapidly changing markets, and meet customer needs through the constant development and provision of superior-quality products and services. In addition, Yamaha will make effective use of its management resources, rationalize and improve the efficiency of its business practices, and secure a strong competitive position in the global marketplace. Furthermore, the Company is seeking to increase the transparency of its management, make certain that it can realize a solid business performance, and accumulate and distribute earnings appropriately to ensure that it can meet the expectations of shareholders and investors. At the same time, the Company strives to act in accordance with its responsibilities as an exemplary corporate citizen by giving due consideration to safety and environmental protection and promoting its own rigorous compliance with relevant laws and regulations.

(2) Management Indicators Taken as Objectives

Under Yamaha's Medium-Term Management Plan (covering the period from the fiscal year ended March 31, 2014 to the fiscal year ending March 31, 2016), entitled "Yamaha Management Plan 2016 (YMP2016)," Yamaha has set the following goals: Net sales of ¥430 billion, operating income of ¥30 billion, return on equity (ROE) of 10%, and total free cash flows over three years of ¥50 billion.

The targets for the next fiscal year ending March 31, 2016, are outlined and described in the following sections of this report: "3. Consolidated Financial Forecasts for FY2016.3" in the summary information; Page 3: "(1) Analysis of Management Performance: 2. Forecast for FY2016.3;" and Page 5: "(2) Analysis of Financial Position: 3. Forecast for FY2016.3."

(3) The Group's Medium- to Long-Term Management Strategy and (4) Issues to Be Addressed

The medium-term management plan Yamaha Management Plan 2016 (YMP2016), which the Group began to implement in April 2013, states management policies, such as "attain continual growth," "strengthen profitability" to support growth, and "enhance specialization and professionalism" to create new added value. The aim of these policies is to achieve steady growth in existing businesses and invest aggressively in new business development. Thus far, steady progress has been made toward increasing sales in the electronics business domain, strengthening cost-competitiveness, and developing new businesses. On the other hand, progress has been somewhat slow in accelerating growth in China and the other emerging countries because of the weakening of economic growth in these countries. The fiscal year ending in March 2016 will be the final year of YMP2016, and, while trends in foreign currency exchange rates, the delay in recovery in Europe, and other factors will create uncertainties in the economic environment, the Group is responding to changes in the operating environment and taking appropriate initiatives.

1. The Group's Medium- to Long-Term Management Vision: "What Yamaha Is Aiming For"

(1) Being "a brand that is trusted and admired"
(2) Being a company with "operations centered on sound and music"
(3) Attaining "growth through both products[*1] and services[*2]"

2. Initiatives Being Taken under YMP2016 to Achieve the Above-Mentioned Management Vision
Accelerating Growth in China and the Other Emerging Countries

Yamaha will give priority to investing its management resources in China and the other emerging markets with the objectives of moving forward with the development of sales networks and accelerating growth in these countries.

To increase the number of persons playing musical instruments in the emerging countries, Yamaha is conducting music popularization activities, including expansion in the number of Yamaha Music Schools and promoting the introduction of music education in schools. As one initiative to achieve this objective, Yamaha has instigated its "School Project" and will accelerate its efforts to promote musical activities in the ASEAN region.

Expanding Sales in the Electronics Business Domain

In the field of digital keyboard instruments, including digital pianos and portable keyboards, Yamaha will work to establish clearly dominant market positions through rigorously differentiating its products by developing new, highly realistic sound and real-touch keyboards. Yamaha will make an in-depth response to market needs by enhancing its offerings of local content and will also develop and introduce entry-level products in the emerging markets and working to expand sales.

In the field of professional audio equipment, priority measures will include strengthening development capabilities for systems equipment with digital networks at their core and expanding Yamaha's product lineup in this business. In addition, Yamaha will expand business scale in the commercial installation market and professional production market.

Also, Yamaha will aim for major growth in the ICT (Information & Communications Technology) equipment business field by leveraging its position in routers for use in SOHO applications, where it has a high market share, and conferencing systems as well as by further expanding its product lineup.

Strengthening Cost-Competitiveness

At existing factories, Yamaha will clarify their respective roles and functions and then work to strengthen their manufacturing capabilities and strive to lower costs. In factories in Japan, on April 1, 2014, Yamaha created a lean operating structure capable of dealing flexibly with change by splitting the operations of the musical instruments and audio products businesses off into subsidiary companies. Overseas, in Chinese and Indonesian factories, to deal with rising labor costs, Yamaha will boost local procurement of materials and bring outsourced production of parts in-house as well as introduce new production methods and improve processes.

Developing New Businesses

To expand existing businesses and make way for growth in the quantum leap phase, Yamaha will continue its investments in M&A and capital tie-ups. In these investment activities, Yamaha will give priority to the commercial audio equipment business, where further expansion is expected.

To promote activities that will offer new value to customers, Yamaha newly formed its New Value Promotion Office. In addition, to secure next-generation technologies and services from outside the Group that will contribute to future growth, the Group will step up its investments in venture businesses.

*1 Product Businesses: Our businesses as a manufacturer that produces products with outstanding quality and value using both advanced and traditional technologies

*2 Service Businesses: Our businesses in which we provide systems, services, and content in areas where the Yamaha Group excels

3. Basic Approach to Selection of Accounting Standards

For the time being, the Group will continue to adopt generally accepted accounting principles in Japan, and the timing for adopting the International Financial Reporting Standards (IFRS) has not been decided. With an eye to the adoption of IFRS, the Group is continuing to consider related issues and practical operational matters.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY2015.3 (As of Mar. 31, 2015)	FY2014.3 (As of Mar. 31, 2014)
ASSETS		
Current assets:		
Cash and deposits	¥ 79,300	¥ 60,558
Notes and accounts receivable—trade	61,663	57,890
Merchandise and finished goods	58,477	55,653
Work in process	13,303	14,013
Raw materials and supplies	16,002	13,023
Deferred tax assets	7,947	4,778
Other	12,293	9,749
Allowance for doubtful accounts	(1,354)	(1,179)
Total current assets	247,632	214,487
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures, net	35,754	36,238
Machinery, equipment and vehicles, net	13,405	12,800
Tools, furniture and fixtures, net	10,275	9,265
Land	49,207	49,595
Lease assets, net	375	315
Construction in progress	4,139	1,768
Total property, plant and equipment	113,158	109,984
Intangible assets:		
Goodwill	12,179	279
Other	3,455	3,027
Total intangible assets	15,635	3,307
Investments and other assets:		
Investment securities	144,836	103,170
Long-term loans receivable	135	156
Net defined benefit assets	74	4
Deferred tax assets	2,020	1,517
Lease and guarantee deposits	4,673	4,730
Other	2,018	1,707
Allowance for doubtful accounts	(151)	(133)
Total investments and other assets	153,608	111,154
Total noncurrent assets	282,402	224,445
Total assets	¥530,034	¥438,932

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

(Millions of yen)

	FY2015.3 (As of Mar. 31, 2015)	FY2014.3 (As of Mar. 31, 2014)
LIABILITIES		
Current liabilities:		
Notes and accounts payable—trade	**¥ 23,194**	¥ 21,595
Short-term loans payable	**11,748**	8,590
Current portion of long-term loans payable	**28**	32
Accounts payable—other and accrued expenses	**34,902**	31,805
Income taxes payable	**2,156**	2,786
Deferred tax liabilities	**31**	7
Provision for product warranties	**2,511**	2,539
Provision for directors’ bonuses	**77**	53
Provision for sales returns	**127**	89
Provision for business structural reform expenses	**1,190**	—
Provision for loss on construction contracts	**8**	—
Other	**4,999**	5,644
Total current liabilities	**80,976**	73,145
Noncurrent liabilities:		
Long-term loans payable	**92**	133
Deferred tax liabilities	**39,422**	24,059
Deferred tax liabilities for land revaluation	**11,133**	12,415
Net defined benefit liabilities	**31,712**	36,450
Long-term deposits received	**15,152**	15,339
Other	**2,792**	2,547
Total noncurrent liabilities	**100,306**	90,944
Total liabilities	**181,282**	164,089
NET ASSETS		
Shareholders’ equity:		
Capital stock	**28,534**	28,534
Capital surplus	**40,054**	40,054
Retained earnings	**186,436**	168,338
Treasury stock	**(3,711)**	(3,705)
Total shareholders’ equity	**251,314**	233,222
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	**87,188**	45,540
Deferred gains or losses on hedges	**215**	(101)
Revaluation reserve for land	**18,085**	17,139
Foreign currency translation adjustment	**(9,106)**	(20,347)
Remeasurements of defined benefit plans	**(1,611)**	(3,771)
Total accumulated other comprehensive income	**94,771**	38,459
Minority interests	**2,666**	3,161
Total net assets	**348,752**	274,843
Total liabilities and net assets	**¥530,034**	¥438,932

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

(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income

Consolidated Statements of Operations

(Millions of yen)

	FY2015.3 (Apr. 1, 2014–Mar. 31, 2015)	FY2014.3 (Apr. 1, 2013–Mar. 31, 2014)
Net sales	**¥432,177**	¥410,304
Cost of sales	**270,357**	262,310
Gross profit	**161,820**	147,994
Selling, general and administrative expenses	**131,684**	121,999
Operating income	**30,135**	25,994
Non-operating income:		
Interest income	**692**	552
Dividends income	**2,191**	1,556
Patent income	**623**	353
Other	**1,179**	1,045
Total non-operating income	**4,687**	3,507
Non-operating expenses:		
Interest expenses	**253**	216
Sales discounts	**2,641**	2,404
Foreign exchange losses	**84**	126
Other	**612**	607
Total non-operating expenses	**3,591**	3,355
Ordinary income	**31,231**	26,146
Extraordinary income:		
Gain on sales of noncurrent assets	**161**	587
Gain on sales of investment securities	**1**	990
Gain on liquidation of subsidiaries and affiliates	**6**	—
Total extraordinary income	**168**	1,578
Extraordinary loss:		
Loss on retirement of noncurrent assets	**208**	301
Loss on valuation of investment securities	**—**	16
Loss on sales of stocks of subsidiaries and affiliates	**17**	—
Impairment loss	**861**	192
Business structural reform expenses	**1,786**	869
Loss on closure of operations	**—**	525
Total extraordinary loss	**2,874**	1,906
Income before income taxes and minority interests	**28,526**	25,818
Income taxes—current	**7,317**	5,778
Income taxes—deferred	**(3,896)**	(3,088)
Total income taxes	**3,420**	2,690
Income before minority interests	**25,105**	23,128
Minority interests in income	**176**	229
Net income	**¥ 24,929**	¥ 22,898

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

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2015.3 (Apr. 1, 2014–Mar. 31, 2015)	FY2014.3 (Apr. 1, 2013–Mar. 31, 2014)
Income before minority interests	**¥25,105**	¥23,128
Other comprehensive income		
Valuation difference on available-for-sale securities	**41,621**	10,711
Deferred gains or losses on hedges	**316**	(59)
Revaluation reserve for land	**1,165**	—
Foreign currency translation adjustments	**11,721**	10,481
Remeasurements of defined benefit plans	**2,159**	6,944
Share of other comprehensive income of associates accounted for using equity method	**26**	(5)
Total other comprehensive income	**57,012**	28,073
Comprehensive income	**82,118**	51,201
(Composition)		
Comprehensive income attributable to owners of the parent company	**81,440**	50,717
Comprehensive income attributable to minority shareholders	**¥ 677**	¥ 484

(3) Consolidated Statements of Changes in Shareholders' Equity

FY2015.3 (April 1, 2014－March 31, 2015) (Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	¥28,534	¥40,054	¥168,338	¥(3,705)	¥233,222
Cumulative effects of changes in accounting policies			—		—
Balance at beginning of the period after retroactive adjustments	**28,534**	**40,054**	**168,338**	**(3,705)**	**233,222**
Changes of items during the period					
Dividends from surplus			**(6,389)**		**(6,389)**
Net income			**24,929**		**24,929**
Change of scope of consolidation			**(661)**		**(661)**
Change of scope of equity method			—		—
Reversal of revaluation reserve for land			**219**		**219**
Purchase of treasury stock				**(5)**	**(5)**
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	**18,097**	**(5)**	**18,092**
Balance at the end of period	**¥28,534**	**¥40,054**	**¥186,436**	**¥(3,711)**	**¥251,314**

	Accumulated other comprehensive income						Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	¥45,540	¥(101)	¥17,139	¥(20,347)	¥(3,771)	¥38,459	¥3,161	¥274,843
Cumulative effects of changes in accounting policies					—	—		—
Balance at beginning of the period after retroactive adjustments	**45,540**	**(101)**	**17,139**	**(20,347)**	**(3,771)**	**38,459**	**3,161**	**274,843**
Changes of items during the period								
Dividends from surplus								**(6,389)**
Net income								**24,929**
Change of scope of consolidation								**(661)**
Change of scope of equity method								—
Reversal of revaluation reserve for land								**219**
Purchase of treasury stock								**(5)**
Net changes of items other than shareholders' equity	**41,648**	**316**	**945**	**11,241**	**2,159**	**56,312**	**(495)**	**55,816**
Total changes of items during the period	**41,648**	**316**	**945**	**11,241**	**2,159**	**56,312**	**(495)**	**73,908**
Balance at the end of period	**¥87,188**	**¥ 215**	**¥18,085**	**¥ (9,106)**	**¥(1,611)**	**¥94,771**	**¥2,666**	**¥348,752**

FY2014.3 (April 1, 2013－March 31, 2014) (Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	¥28,534	¥40,054	¥140,473	¥(3,699)	¥205,363
Cumulative effects of changes in accounting policies			7,062		7,062
Balance at beginning of the period after retroactive adjustments	28,534	40,054	147,536	(3,699)	212,425
Changes of items during the period					
Dividends from surplus			(2,420)		(2,420)
Net income			22,898		22,898
Change of scope of consolidation			(203)		(203)
Change of scope of equity method			482		482
Reversal of revaluation reserve for land			44		44
Purchase of treasury stock				(5)	(5)
Net changes of items other than shareholders' equity					
Total changes of items during the period	―	―	20,802	(5)	20,796
Balance at the end of period	¥28,534	¥40,054	¥168,338	¥(3,705)	¥233,222

	Accumulated other comprehensive income						Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	¥34,810	¥ (41)	¥17,184	¥(30,443)	¥ ―	¥ 21,508	¥2,764	¥229,636
Cumulative effects of changes in accounting policies					(10,716)	(10,716)		(3,654)
Balance at beginning of the period after retroactive adjustments	34,810	(41)	17,184	(30,443)	(10,716)	10,792	2,764	225,982
Changes of items during the period								
Dividends from surplus								(2,420)
Net income								22,898
Change of scope of consolidation								(203)
Change of scope of equity method								482
Reversal of revaluation reserve for land								44
Purchase of treasury stock								(5)
Net changes of items other than shareholders' equity	10,730	(59)	(44)	10,096	6,944	27,667	396	28,064
Total changes of items during the period	10,730	(59)	(44)	10,096	6,944	27,667	396	48,860
Balance at the end of period	¥45,540	¥(101)	¥17,139	¥(20,347)	¥ (3,771)	¥ 38,459	¥3,161	¥274,843

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2015.3 **(Apr. 1, 2014–Mar. 31, 2015)**	FY2014.3 (Apr. 1, 2013–Mar. 31, 2014)
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	**¥28,526**	¥25,818
Depreciation and amortization	**12,597**	12,759
Impairment loss	**861**	192
Amortization of goodwill	**2,913**	95
Increase (decrease) in allowance for doubtful accounts	**192**	(474)
(Gain) on liquidation of subsidiaries and affiliates	**(6)**	—
Loss (gain) on valuation of investment securities	—	16
(Gain) on sales of investment securities	(1)	(990)
(Decrease) in net defined benefit liabilities	**(2,889)**	(1,691)
Interest and dividends income	**(2,884)**	(2,108)
Interest expenses	**253**	216
Foreign exchange (gains) losses	**(465)**	47
Equity in losses (earnings) of affiliates	**20**	(20)
Loss (gain) on sales of stocks of subsidiaries and affiliates	**17**	—
(Gain) on sales of noncurrent assets	**(161)**	(587)
Loss on retirement of noncurrent assets	**208**	301
Business structural reform expenses	**1,786**	869
Loss on closure of operations	—	525
(Increase) in notes and accounts receivable—trade	**(473)**	(2,372)
(Increase) decrease in inventories	**(267)**	4,783
(Decrease) in notes and accounts payable—trade	**(1,185)**	(304)
Other, net	**(1,496)**	(1,311)
Subtotal	**37,547**	35,764
Interest and dividends income received	**2,859**	2,125
Interest expenses paid	**(256)**	(220)
Payment of business structural reform expenses	**(340)**	(546)
Income taxes paid	**(8,080)**	(3,909)
Net cash provided by (used in) operating activities	**¥31,729**	¥33,213

(Millions of yen)

	FY2015.3 (Apr. 1, 2014–Mar. 31, 2015)	FY2014.3 (Apr. 1, 2013–Mar. 31, 2014)
Net cash provided by (used in) investing activities:		
Net decrease (increase) in time deposits	**¥ 290**	¥ (649)
Purchase of property, plant and equipment	**(12,530)**	(11,248)
Proceeds from sales of property, plant and equipment	**809**	1,177
Purchase of investment securities	**(219)**	(15,632)
Proceeds from sales of investment securities	**90**	3,380
Payments for investments in capital	**(3)**	(16)
Payments of loans receivable	**(147)**	(39)
Collection of loans receivable	**138**	108
Other, net	**(126)**	(30)
Net cash provided by (used in) investing activities	**(11,700)**	(22,950)
Net cash provided by (used in) financing activities:		
Net increase (decrease) in short-term loans payable	**1,925**	(1,627)
Proceeds from long-term loans payable	**18**	—
Repayment of long-term loans payable	**(63)**	(486)
Proceeds from deposits received from membership	**157**	176
Repayments for deposits received from membership	**(343)**	(290)
Purchase of treasury stock	**(5)**	(5)
Cash dividends paid	**(6,389)**	(2,420)
Cash dividends paid to minority shareholders	**(1,173)**	(87)
Other, net	**(34)**	(4)
Net cash provided by (used in) financing activities	**(5,909)**	(4,745)
Effect of exchange rate change on cash and cash equivalents	**3,573**	2,323
Net increase (decrease) in cash and cash equivalents	**17,692**	7,841
Cash and cash equivalents at beginning of period	**57,524**	49,464
Increase in cash and cash equivalents from newly consolidated subsidiary	**950**	231
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	**(8)**	(12)
Cash and cash equivalents at end of period	**¥76,159**	¥ 57,524

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

(5) Notes to the Consolidated Financial Statements

Notes Regarding Assumptions as a Going Concern

None applicable

Additional Information

(Transfer of the Business of Semiconductor Manufacturing Subsidiary)

On March 31, 2015, Yamaha concluded an agreement to transfer the semiconductor manufacturing business of its subsidiary Yamaha Kagoshima Semiconductor Inc. (a wholly owned subsidiary of Yamaha, hereinafter, Yamaha Kagoshima Semiconductor) to Phenitec Semiconductor Corporation (hereinafter, Phenitec Semiconductor).

Yamaha Kagoshima Semiconductor, since its establishment in 1987, has played an important role in Yamaha's business as a semiconductor manufacturing base in Japan. Beginning in 2012, Yamaha focused its production on geomagnetic sensors, which are its principal products in this business, and responded to the global market needs by supplying the expanding markets for smartphones and other products.

Amid these developments, Yamaha has now decided to make the transition to fabless production and seek to realize greater flexibility in this business. In October 2014, Yamaha and Phenitec Semiconductor, which aims to expand its production line capacity utilizing Yamaha Kagoshima Semiconductor's manufacturing facilities and personnel, concluded a basic agreement for the transfer.

Regarding the sensors manufactured by Yamaha Kagoshima Semiconductor, Yamaha is managing efficiently all production stages from wafer processes to assembly and inspection by strengthening its ties with subcontractors located principally in Taiwan with which it already has business relationships. Going forward, Yamaha will work to expand its sales by strengthening its competitiveness and flexibility through the transition to fabless production and actively introducing new products in the sound domain.

Please note that for the fiscal year under review, business structural reform expenses incurred due to this business transfer were reported in the amount of ¥1,594 million.

(Amendment to deferred tax asset and deferred tax liability amounts due to a change of the tax rate for taxes, such as corporation tax)

Accompanying the official announcement on March 31, 2015, of the Law Revising a Portion of Local Taxation, Etc. and the Law Revising a Portion of Income Taxation, Etc., the legal effective tax rate applicable to the calculation of consolidated deferred tax assets and deferred tax liabilities (applicable only to such assets and liabilities that will expire on and after April 1, 2015) was changed from 34.61% to 32.11% for such assets and liabilities that are expected to be recovered or paid from April 1, 2015 through March 31, 2016, and then to 31.33% for such assets and liabilities after April 1, 2016.

As a result of this change, the net value of the Group's deferred tax liabilities (after the deduction of the amount of deferred tax assets) decreased ¥4,881 million, and the following increases in financial statement amounts were recorded: income taxes—deferred, ¥351 million; deferred gains or losses on hedges, ¥7 million; valuation difference on available-for-sale securities, ¥4,059 million; and revaluation reserve for land, ¥1,165 million.

Consolidated Statements of Operations

Impairment Losses

FY2015.3 (Apr. 1, 2014–Mar. 31, 2015)

Outline of asset groups where impairment losses were recognized

(Millions of yen)

Use	Location	Impairment losses	
Assets of the musical instruments business	Fukuoka City, Fukuoka, and elsewhere	Buildings and structures	¥111
		Tools, furniture and fixtures	14
		Total	126
Idle assets, etc.	Hamamatsu City, Shizuoka, and elsewhere	Buildings and structures	360
		Tools, furniture and fixtures	15
		Land	328
		Leasehold right	30
		Total	735
Total		Buildings and structures	471
		Tools, furniture and fixtures	30
		Land	328
		Leasehold right	30
		Total	¥861

Method for Grouping of Assets

Within its segment classification, the Yamaha Group groups the smallest asset units that generate cash flow together.

Background Leading to the Recognition of Impairment Losses

Regarding the assets of the musical instruments business, impairment losses are recognized for those asset groups where the total undiscounted future cash flows were less than the book value among those assets that are continuing to run losses on operations or are expected to run losses.

Impairment losses were recognized on idle assets that will not be used in the future, assets that are expected to become idle assets, and assets that the Company expects to dispose of.

Calculation of the Recovery Value

The recoverable amount of assets in the musical instruments business is measured by their value in use based on the calculation of the present value of future cash flows discounted at 6.4%.

The recovery value of idle assets, etc., is estimated from the net sales value; indicators include expected sales value, value estimates prepared by real estate appraisers, the assessed value for the tangible fixed assets tax, and other sources.

FY2014.3 (Apr. 1, 2013–Mar. 31, 2014)

Outline of asset groups where impairment losses were recognized

(Millions of yen)

Use	Location	Impairment losses	
Idle assets, etc.	Fukuoka City, Fukuoka, and elsewhere	Buildings and structures	¥197
		Tools, furniture and fixtures	19
		Land	115
		Total	¥332

Of the total shown above, ¥139 million was reported as business structural reform expenses in connection with the consolidation and concentration of business locations.

Method for Grouping of Assets

Within its segment classification, the Yamaha Group groups the smallest asset units that generate cash flow together.

Background Leading to the Recognition of Impairment Losses

Impairment losses were recognized on idle assets that will not be used in the future, assets that are expected to become idle assets, and assets that the Company expects to dispose of.

Calculation of the Recovery Value

The recovery value of idle assets, etc., is estimated from the net sales value; indicators include value estimates prepared by real estate appraisers, the assessed value for the tangible fixed assets tax, and other sources.

Business Structural Reform Expenses

FY2015.3 (Apr. 1, 2014–Mar. 31, 2015)

Business structural reform expenses comprise losses in connection with the transfer of the business of a semiconductor manufacturing subsidiary, personnel costs incurred in Europe on guitar peripheral equipment that were related to consolidation and concentration of sales outlets.

FY2014.3 (Apr. 1, 2013–Mar. 31, 2014)

Business structural reform expenses comprise personnel costs in retail sales subsidiaries and asset impairment losses incurred in connection with the consolidation and concentration of business locations.

Loss on Closure of Operations

FY2015.3 (Apr. 1, 2014–Mar. 31, 2015)

None applicable

FY2014.3 (Apr. 1, 2013–Mar. 31, 2014)

The loss was due to suspension of production accompanying a strike in the guitar manufacturing subsidiary in Indonesia.

Segment Information

1. Summary of Reporting Segments

Business segments are composed of business units that provide separate financial information, and are regularly reviewed by the Board of Directors of the Company for the purpose of business performance evaluation and management resource allocation decisions.

The Company's business segments, based on its economic features and similarity of products and services, comprise its three principal reporting segments, which are musical instruments, audio equipment, and electronic devices. Other businesses have been grouped together in the "Others" segment.

The musical instruments business segment includes the manufacture and sales of pianos; digital musical instruments; wind, string, and percussion instruments; and other music-related activities. The audio equipment business segment includes the manufacture and sales of audio products, professional audio equipment, information and telecommunication equipment, and certain other products. The electronic devices business segment includes the manufacture and sales of semiconductor products. The "Others" segment includes automobile interior components, factory automation (FA) equipment, golf products, recreation, and certain other lines of business.

2. Method for Calculating the Sales, Income (Loss), Assets, Liabilities, and Other Items for Reporting Segments

The accounting treatment for reporting business segments is carried out through principles and procedures that all the same as the methods adopted for preparation of the consolidated financial statements.

Figures for income in reporting segments are on an operating income basis.

Intersegment sales and transfers are based on prevailing market prices.

3. Information on the Amounts of Sales, Income (Loss), Assets, Liabilities, and Other Items for Reporting Segments

FY2015.3 (April 1, 2014－March 31, 2015) (Millions of yen)

	Musical instruments	Audio equipment	Electronic devices	Others	Total	Adjustments	Consolidated
Sales to external customers	**¥281,667**	**¥112,839**	**¥13,435**	**¥ 24,235**	**¥432,177**		**¥432,177**
Intersegment sales or transfers			**526**		**526**	**(526)**	
Total	**281,667**	**112,839**	**13,962**	**24,235**	**432,704**	**(526)**	**432,177**
Segment income (loss)	**¥ 25,064**	**¥ 6,133**	**¥(1,446)**	**¥384**	**¥ 30,135**		**¥ 30,135**
Segment assets	**277,916**	**87,642**	**14,839**	**149,635**	**530,034**		**530,034**
Other items							
Depreciation and amortization	**8,238**	**2,857**	**706**	**795**	**12,597**		**12,597**
Impairment loss	**861**				**861**		**861**
Increase in property, plant and equipment and intangible assets	**¥ 9,581**	**¥ 2,880**	**¥ 639**	**¥ 832**	**¥ 13,932**		**¥ 13,932**

Notes: 1. The item "Adjustments" contains the following:
The sales adjustment item of ¥(526) million, which comprises eliminations of transactions among the Company's business segments.
2. "Segment income (loss)" means the operating income (loss) of the segment as presented in the Consolidated Statements of Operations.
3. Among the assets of the Others segment, the amount of investment securities related to Yamaha Motor Co., Ltd. (the market value reported on the Consolidated Balance Sheets) is ¥123,749 million.

FY2014.3 (April 1, 2013－March 31, 2014) (Millions of yen)

	Musical instruments	Audio equipment	Electronic devices	Others	Total	Adjustments	Consolidated
Sales to external customers	¥262,310	¥105,485	¥18,828	¥23,679	¥410,304		¥410,304
Intersegment sales or transfers			619		619	(619)	
Total	262,310	105,485	19,448	23,679	410,923	(619)	410,304
Segment income (loss)	¥ 19,728	¥ 5,866	¥ 770	¥ (370)	¥ 25,994		¥ 25,994
Segment assets	251,273	80,396	13,414	93,847	438,932		438,932
Other items							
Depreciation and amortization	8,519	2,647	761	830	12,759		12,759
Impairment loss	332				332		332
Increase in property, plant and equipment and intangible assets	¥ 6,659	¥ 2,877	¥ 216	¥ 1,172	¥ 10,926		¥ 10,926

Notes: 1. The item “Adjustments” contains the following:
The sales adjustment item of ¥(619) million, which comprises eliminations of transactions among the Company’s business segments.
2. “Segment income (loss)” means the operating income (loss) of the segment as presented in the Consolidated Statements of Operations.
3. Among the assets of the Others segment, the amount of investment securities related to Yamaha Motor Co., Ltd. (the market value reported on the Consolidated Balance Sheets) is ¥70,147 million.

Related Information

1. Information by product and service

Since the Company discloses the same information in its segment information section, it has been omitted.

2. Information by geographical segment

(1) Sales and Property, plant and equipment

Sales information based on the geographical location of the customers

FY2015.3 (April 1, 2014－March 31, 2015) (Millions of yen)

	Japan	Overseas				Consolidated
		North America	Europe	Asia, Oceania, and other areas	Total	
Net sales	**¥160,374**	**¥79,747**	**¥80,277**	**¥111,778**	**¥271,803**	**¥432,177**
% of net sales	**37.1%**	**18.4%**	**18.6%**	**25.9%**	**62.9%**	**100.0%**

Notes: 1. Sales information is based on the geographical location of the customers, and it is classified by country or region.
2. Main country and regional divisions:
North America: U.S.A., Canada
Europe: Germany, France, U.K.
Asia, Oceania, and other areas: People's Republic of China, Republic of Korea, Australia

FY2014.3 (April 1, 2013－March 31, 2014) (Millions of yen)

	Japan	Overseas				Consolidated
		North America	Europe	Asia, Oceania, and other areas	Total	
Net sales	¥167,903	¥66,635	¥74,863	¥100,901	¥242,400	¥410,304
% of net sales	40.9%	16.2%	18.3%	24.6%	59.1%	100.0%

Notes: 1. Sales information is based on the geographical location of the customers, and it is classified by country or region.
2. Main country and regional divisions:
North America: U.S.A., Canada
Europe: Germany, France, U.K.
Asia, Oceania, and other areas: People's Republic of China, Republic of Korea, Australia

Sales information based on Group locations where sales take place

FY2015.3 (April 1, 2014－March 31, 2015) (Millions of yen)

	Japan	North America	Europe	Asia, Oceania, and other areas	Total	Adjustments	Consolidated
Sales to external customers	**¥171,882**	**¥85,517**	**¥78,516**	**¥ 96,261**	**¥432,177**		**¥432,177**
Intersegment sales or transfers	**155,004**	**1,385**	**2,342**	**91,295**	**250,027**	**(250,027)**	
Total	**326,887**	**86,903**	**80,858**	**187,556**	**682,205**	**(250,027)**	**432,177**
Segment income (loss)	**¥ 15,439**	**¥ (309)**	**¥ 3,581**	**¥ 11,997**	**¥ 30,708**	**(572)**	**¥ 30,135**
Segment assets	**350,928**	**52,277**	**38,794**	**115,825**	**557,825**	**(27,790)**	**530,034**
Property, plant and equipment	**¥ 81,473**	**¥ 1,508**	**¥ 3,433**	**¥ 26,745**	**¥113,158**		**¥113,158**

Notes: 1. Sales information is based on Group locations where sales take place, and it is classified by country or region.
2. Main country and regional divisions:
This classification is the same as the one for “Sales information based on the geographical location of the customers.”
3. The item “Adjustments” contains the following:
The sales adjustment item of ¥(250,027) million, which comprises eliminations of transactions among the Company’s business segments.
4. “Segment income (loss)” means the operating income (loss) of the segment as presented in the Consolidated Statements of Operations.

FY2014.3 (April 1, 2013－March 31, 2014) (Millions of yen)

	Japan	North America	Europe	Asia, Oceania, and other areas	Total	Adjustments	Consolidated
Sales to external customers	¥179,527	¥65,890	¥75,373	¥ 89,513	¥410,304		¥410,304
Intersegment sales or transfers	143,874	738	2,467	82,997	230,077	(230,077)	
Total	323,401	66,628	77,840	172,510	640,382	(230,077)	410,304
Segment income	¥ 11,819	¥ 2,190	¥ 2,325	¥ 11,608	¥ 27,944	(1,950)	¥ 25,994
Segment assets	289,570	29,349	40,462	103,997	463,379	(24,447)	438,932
Property, plant and equipment	¥ 81,870	¥ 1,099	¥ 3,799	¥ 23,215	¥109,984		¥109,984

Notes: 1. Sales information is based on Group locations where sales take place, and it is classified by country or region.
2. Main country and regional divisions:
This classification is the same as the one for “Sales information based on the geographical location of the customers.”
3. The item “Adjustments” contains the following:
The sales adjustment item of ¥(230,077) million, which comprises eliminations of transactions among the Company’s business segments.
4. “Segment income” means the operating income of the segment as presented in the Consolidated Statements of Operations.

3. Information by principal customer

None applicable

Information on impairment losses on noncurrent assets by reporting segment

Since the Company discloses the same information in its segment information section, it has been omitted.

Information related to the amount of amortization of goodwill and the unamortized amount of goodwill by reporting segment

FY2015.3 (April 1, 2014－March 31, 2015)

(Millions of yen)

	Musical instruments	Audio equipment	Electronic devices	Others	Total
Amount amortized in FY2015.3	¥1,452	¥1,460	¥—	¥—	¥ 2,913
Balance as of March 31, 2015	¥5,779	¥6,400	¥—	¥—	¥12,179

FY2014.3 (April 1, 2013－March 31, 2014)

Since the amounts are not material, this information has been omitted.

Information on profit arising from negative goodwill by reporting segment

None applicable

Per Share Information

(Yen)

FY2015.3 (Apr. 1, 2014–Mar. 31, 2015)		FY2014.3 (Apr. 1, 2013–Mar. 31, 2014)	
Net assets per share	**¥1,787.42**	Net assets per share	¥1,403.12
Net income per share	**¥ 128.75**	Net income per share	¥ 118.26

Notes: 1. There are no dilutive shares and no figures for earnings per share after adjustment for dilutive shares have been disclosed.

2. Basis for Calculations of Net Income per Share

	FY2015.3 (Apr. 1, 2014–Mar. 31, 2015)	FY2014.3 (Apr. 1, 2013–Mar. 31, 2014)
Net income per share:		
Net income	**¥24,929 million**	¥22,898 million
Value not attributed to common stock	**— million**	— million
Net income attributed to common stock	**24,929 million**	22,898 million
Average number of outstanding shares during the period	**193,625 thousand shares**	193,629 thousand shares

Important Subsequent Events

None applicable

5. Other

(1) Management Appointment and Resignations

See appendix.