

Third Quarter of FY2017.3 Performance Outline

YAMAHA CORPORATION

February 3, 2017

(billions of yen)

	Three Months Results Ended Dec. 31, 2015	Three Months Results Ended Dec. 31, 2016	Nine Months Results Ended Dec. 31, 2015	Nine Months Results Ended Dec. 31, 2016	Results (Previous Year)	Projections (Full Year)	Previous Projections (Full Year) (announced on Nov. 7, 2016)
	FY2016.3	FY2017.3	FY2016.3	FY2017.3	FY2016.3	FY2017.3	FY2017.3
Net Sales	118.3	109.2	335.8	308.3	435.5	405.0	402.0
Japan Sales	34.2 (28.9%)	33.7 (30.9%)	107.4 (32.0%)	101.3 (32.9%)	145.0 (33.3%)	138.7 (34.2%)	139.6 (34.7%)
Overseas Sales	84.1 (71.1%)	75.5 (69.1%)	228.4 (68.0%)	207.0 (67.1%)	290.5 (66.7%)	266.4 (65.8%)	262.4 (65.3%)
Operating Income	15.7 (13.3%)	12.7 (11.6%)	36.9 (11.0%)	37.4 (12.1%)	40.7 (9.3%)	42.0 (10.4%)	42.0 (10.4%)
Ordinary Income	15.4 (13.0%)	13.1 (12.0%)	37.6 (11.2%)	37.6 (12.2%)	40.9 (9.4%)	43.0 (10.6%)	42.0 (10.4%)
Net Income ^(*1)	13.1 (11.1%)	9.8 (9.0%)	30.5 (9.1%)	37.1 (12.0%)	32.6 (7.5%)	42.0 (10.4%)	41.0 (10.2%)
Currency Exchange Rate (Settlement Rate) (=yen) ^(*2)	121/US\$ 135/EUR	106/US\$ 114/EUR	122/US\$ 134/EUR	107/US\$ 121/EUR	121/US\$ 134/EUR	107/US\$ ^(*8) 121/EUR	104/US\$ 118/EUR
ROE ^(*3)	15.0%	11.8%	11.5%	15.1%	10.1%	13.0%	13.3%
ROA ^(*4)	9.9%	7.8%	7.6%	9.9%	6.5%	8.6%	8.8%
Earnings per Share	67.6 yen	52.5 yen	157.5 yen	197.6 yen	168.9 yen	224.0 yen	218.7 yen
Capital Expenditures	2.9	5.6	7.7	11.9	11.2	16.5	19.6
(Depreciation Expenses)	(3.2)	(2.7)	(9.4)	(8.1)	(12.7)	(11.1)	(11.3)
R&D Expenses	6.2	6.2	18.5	18.1	24.8	24.9	25.3
Cash Flows							
Operating Activities	12.7	10.9	20.9	16.3	42.4	38.0	43.0
Investing Activities	4.9	-1.0	-1.0	-7.3	0.6	-15.0	-20.0
Free Cash Flow	17.6	9.9	19.9	9.0	43.0	23.0	23.0
Inventories at End of Period	-	-	95.2	97.4	91.9	92.0	84.8
Number of Employees							
Japan	-	-	6,266	6,082	6,149	5,900	6,100
Overseas	-	-	13,993	14,279	14,199	14,400	14,600
Total ^(*5)	-	-	20,259	20,361	20,348	20,300	20,700
(Changes from the changes in the scope of consolidation)			(-104)	(-)	(-102)	(-)	(-)
Temporary Staff (average during the period)	-	-	8,143	7,650	7,990	7,800	7,700
Sales by Business Segment							
Musical Instruments ^(*6)	73.2 (61.9%)	68.1 (62.3%)	215.6 (64.2%)	196.5 (63.7%)	277.4 (63.7%)	256.0 (63.2%)	254.0 (63.2%)
Audio Equipment ^(*6)	36.5 (30.9%)	32.0 (29.3%)	91.8 (27.3%)	85.0 (27.6%)	120.9 (27.8%)	114.0 (28.2%)	113.0 (28.1%)
Others ^(*7)	8.6 (7.2%)	9.1 (8.4%)	28.4 (8.5%)	26.8 (8.7%)	37.2 (8.5%)	35.0 (8.6%)	35.0 (8.7%)
Operating Income by Business Segment							
Musical Instruments ^(*6)	11.1	8.5	27.9	27.3	31.7	32.0	32.5
Audio Equipment ^(*6)	4.3	3.6	7.8	8.5	8.5	9.5	9.0
Others ^(*7)	0.3	0.5	1.3	1.6	0.4	0.5	0.5

Non-Consolidated Basis

Net Sales	59.1	52.7	182.1	171.4	232.8
Operating Income	6.0 (10.2%)	4.4 (8.3%)	14.8 (8.1%)	15.1 (8.8%)	15.2 (6.5%)
Ordinary Income	6.3 (10.7%)	5.1 (9.7%)	26.7 (14.6%)	23.6 (13.8%)	27.1 (11.7%)
Net Income	1.1 (1.9%)	4.7 (8.9%)	20.1 (11.0%)	28.1 (16.4%)	20.2 (8.7%)

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

* 2, 8 Currency exchange rate is the export and import transaction rate applied to profit calculation. 4Q Currency Exchange Rates US\$=110JPY EUR=120JPY

* 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

* 6 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.

* 7 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.

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.