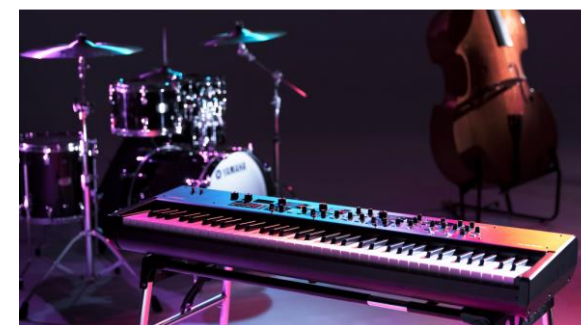


Analyst and Investor Briefing on Third Quarter of FY2020.3

(Fiscal year ending March 31, 2020)



February 7, 2020

Yamaha Corporation

FY2020.3 3Q Highlights

Overview

Figures in parentheses are year-on-year comparisons

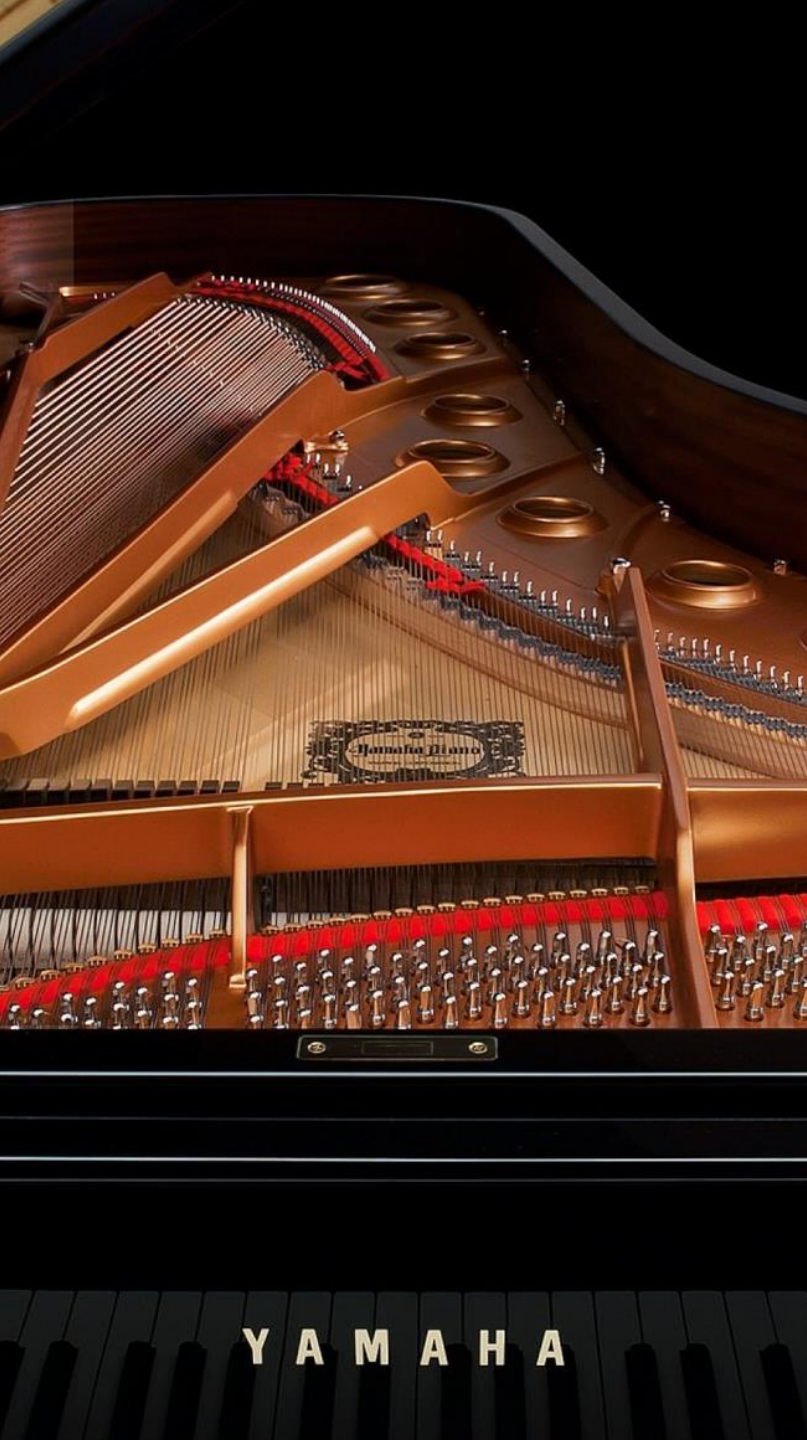
Performance in the First Three Quarters of FY2020.3 (nine months)

- Although strong sales of musical instruments continued, the impact of exchange rates and a sluggish market for industrial machinery and components resulted in a year-on-year decline in revenue and profit
- Revenue over the nine months amounted to ¥322.6 billion (down 2.7% year-on-year), core operating profit totalled ¥42.4 billion (down 5.5%), and the core operating profit ratio was 13.1% (down 0.4 percentage point)

Outlook

FY2020.3 Full Year Outlook

- Taking into account performance over the first three quarters and uncertainties in the operating environment (including the impact of the new coronavirus outbreak), full year projections have been revised downward
- The new full year projections are: revenue ¥425.0 billion (down 2.2% year-on-year), core operating profit ¥50.0 billion (down 5.2%), and core operating profit ratio 11.8% (down 0.3 percentage point)



1. Performance Summary

FY2020.3 3Q (Nine Months) Summary

(billions of yen)

| | FY2019.3 1-3Q | FY2020.3 1-3Q | Change | |
|---|------------------|------------------------|--------|---------------------|
| Revenue | 331.7 | 322.6 | -9.1 | -2.7% ^{*2} |
| Core Operating Profit (Core Operating Profit Ratio) | 44.9 (13.5%) | 42.4 (13.1%) | -2.5 | -5.5% |
| Net Profit ^{*1} | 33.7 | 32.7 | -0.9 | -2.8% |

Exchange Rate (yen)

| | | | |
|--|-------------|-----|------------|
| Revenue (Average rate during the period) | US\$ | 111 | 109 |
| | EUR | 129 | 121 |
| Profit (Settlement rate) | US\$ | 111 | 109 |
| | EUR | 132 | 122 |

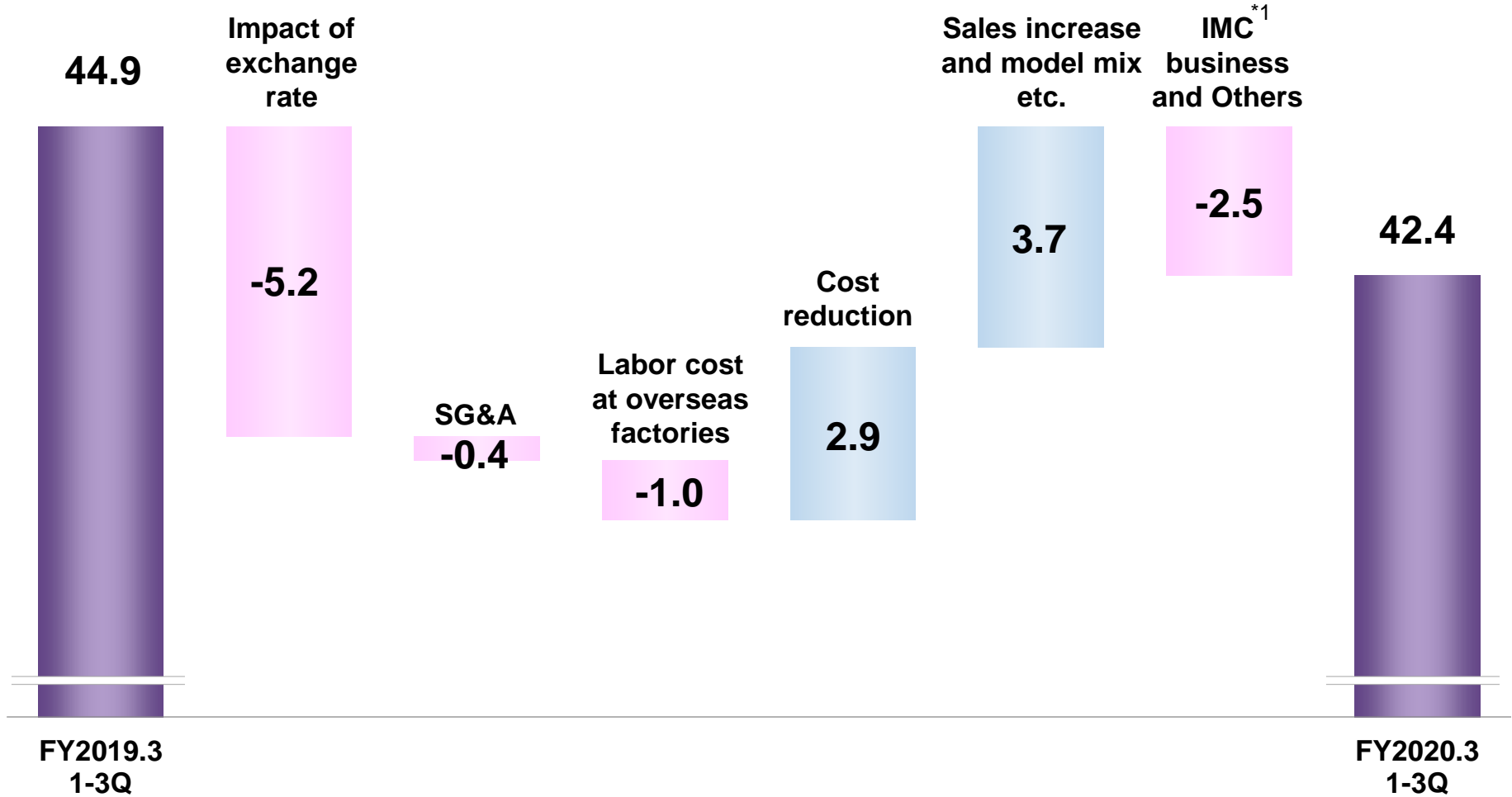
^{*2} +0.6%
(Excluding the impact of exchange rate)

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

Core Operating Profit Analysis

Versus previous year

(billions of yen)



*1 Industrial Machinery and Components

Performance by Business Segment

(billions of yen)

| | | FY2019.3 1-3Q | FY2020.3 1-3Q | Change | Exchange rate impact |
|---|------------------------------|------------------|------------------|--------|-------------------------|
| Musical Instruments | Revenue | 213.2 | 213.3 | +0.1 | -7.8 |
| | Core Operating Profit | 33.8 | 34.8 | +1.0 | -3.9 |
| | Core Operating Profit Ratio | 15.8% | 16.3% | +0.5P | |
| Audio Equipment | Revenue | 90.6 | 86.2 | -4.4 | -3.2 |
| | Core Operating Profit | 8.1 | 7.1 | -1.0 | -1.3 |
| | Core Operating Profit Ratio | 9.0% | 8.3% | -0.7P | |
| IMC^{*1} Business and Others | Revenue | 27.9 | 23.1 | -4.8 | -0.1 |
| | Core Operating Profit | 3.0 | 0.5 | -2.5 | 0 |
| | Core Operating Profit Ratio | 10.6% | 2.0% | -8.6P | |

*1 Industrial Machinery and Components

FY2020.3 Outlook

(billions of yen)

| | FY2019.3 Full year | FY2020.3 Full year (projections) | Change | |
|---|-----------------------|--|--------|---------------------|
| Revenue | 434.4 | 425.0 | -9.4 | ^{*2} -2.2% |
| Core Operating Profit (Core Operating Profit Ratio) | 52.7 (12.1%) | 50.0 (11.8%) | -2.7 | -5.2% |
| Net Profit ^{*1} | 40.3 | 39.5 | -0.8 | -2.1% |

Exchange Rate (yen)

| | | | |
|--|-------------|-----|------------|
| Revenue (Average rate during the period) | US\$ | 111 | 109 |
| | EUR | 128 | 121 |
| Profit (Settlement rate) | US\$ | 111 | 109 |
| | EUR | 131 | 122 |

^{*2} +0.9%
(Excluding the impact of exchange rate)

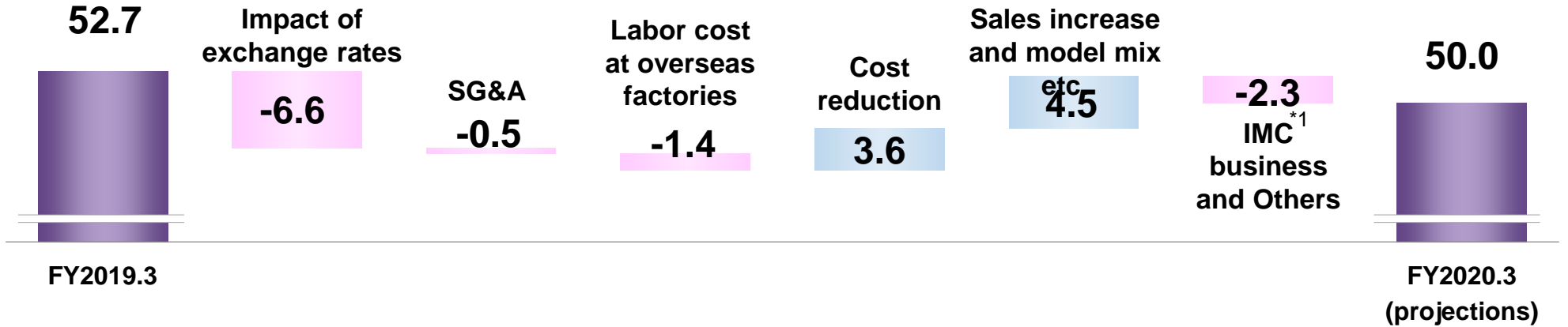
4Q exchange rates
US\$=110JPY
EUR=120JPY

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

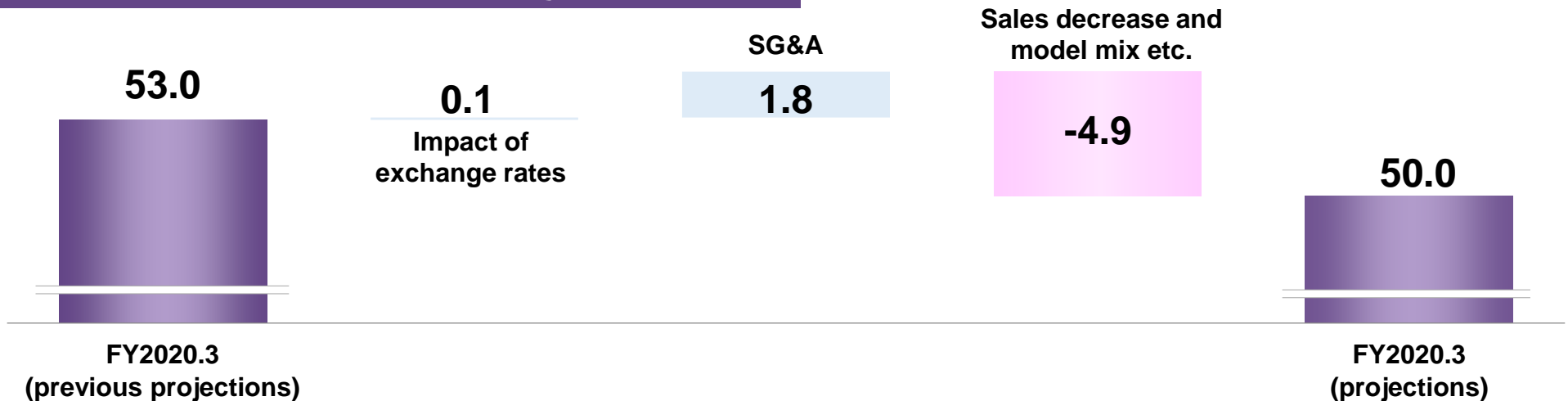
Core Operating Profit Analysis

(billions of yen)

Versus previous year



Versus previous projections



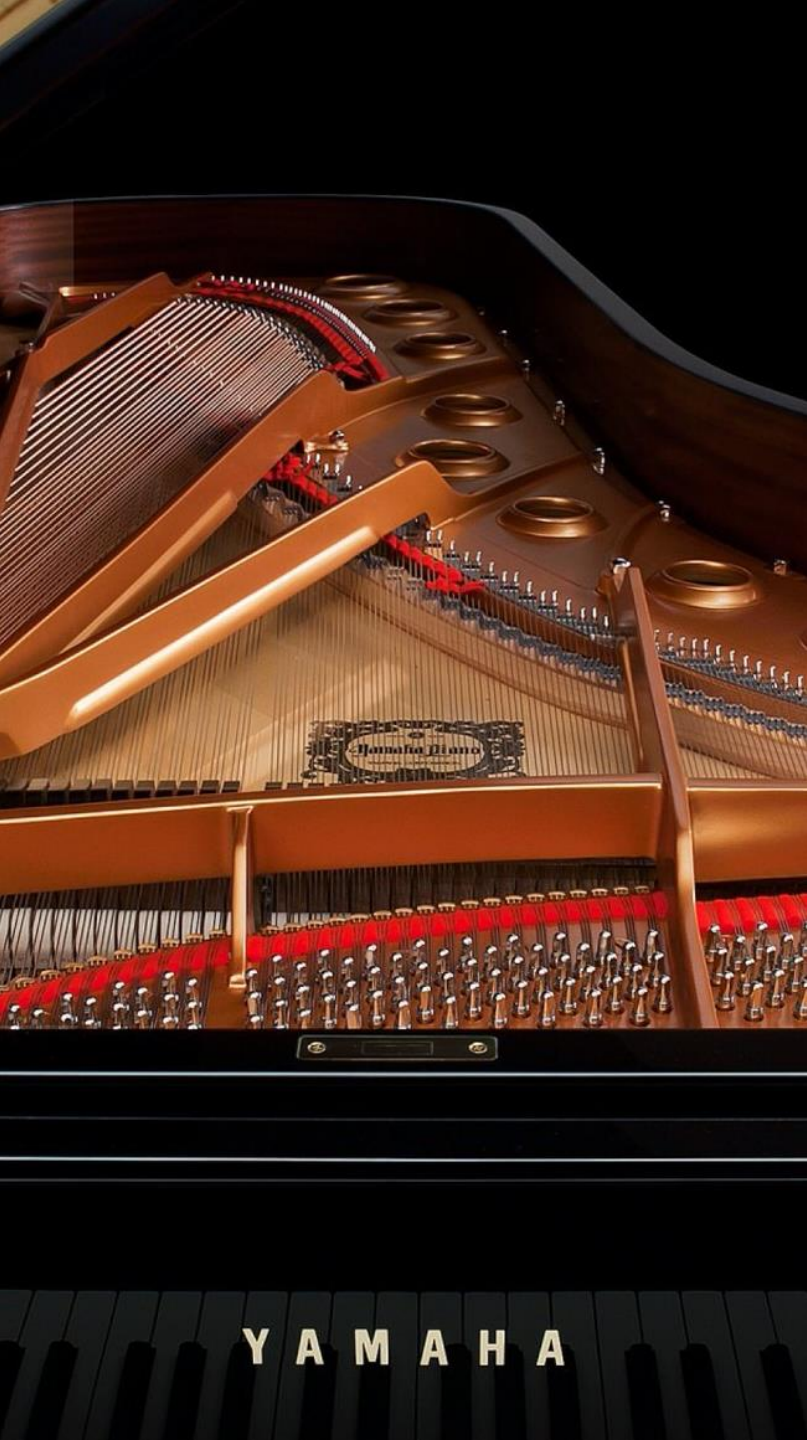
*1 Industrial Machinery and Components

Outlook by Business Segment

(billions of yen)

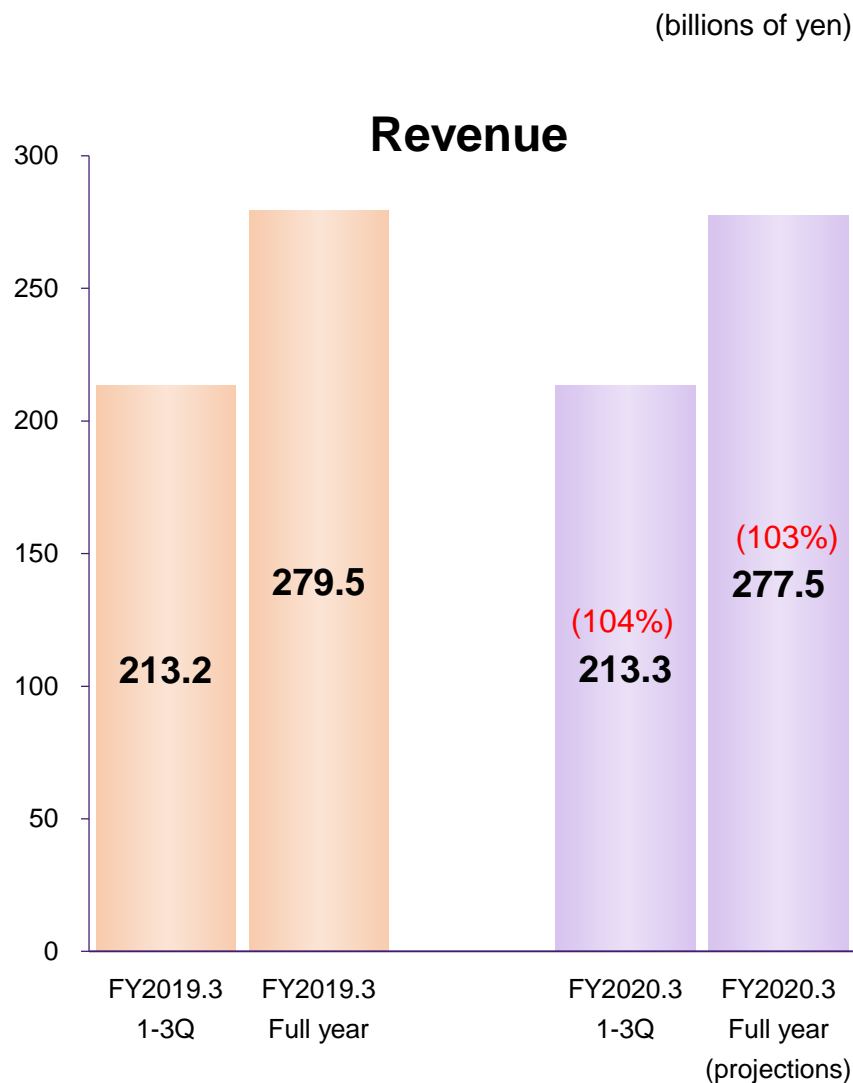
| | | FY2019.3 Full Year | FY2020.3 Full year (projections) | Change | Exchange rate impact |
|---|----------------------------------|-----------------------|--|-------------|-------------------------|
| Musical Instruments | Revenue | 279.5 | 277.5 | -2.0 | -9.3 |
| | Core Operating Profit | 40.8 | 41.5 | +0.7 | -4.9 |
| | Core Operating Profit Ratio | 14.6% | 15.0% | +0.4P | |
| Audio Equipment | Revenue | 120.1 | 116.5 | -3.6 | -3.8 |
| | Core Operating Profit | 9.6 | 8.5 | -1.1 | -1.7 |
| | Core Operating Profit Ratio | 8.0% | 7.3% | -0.7P | |
| IMC¹Business and Others | Revenue | 34.8 | 31.0 | -3.8 | -0.1 |
| | Core Operating Profit | 2.3 | 0 | -2.3 | 0 |
| | Core Operating Profit Ratio | 6.7% | 0% | -6.7P | |

*1 Industrial Machinery and Components



2. Segment Overview & Updates

Segment Revenue and Core Operating Profit

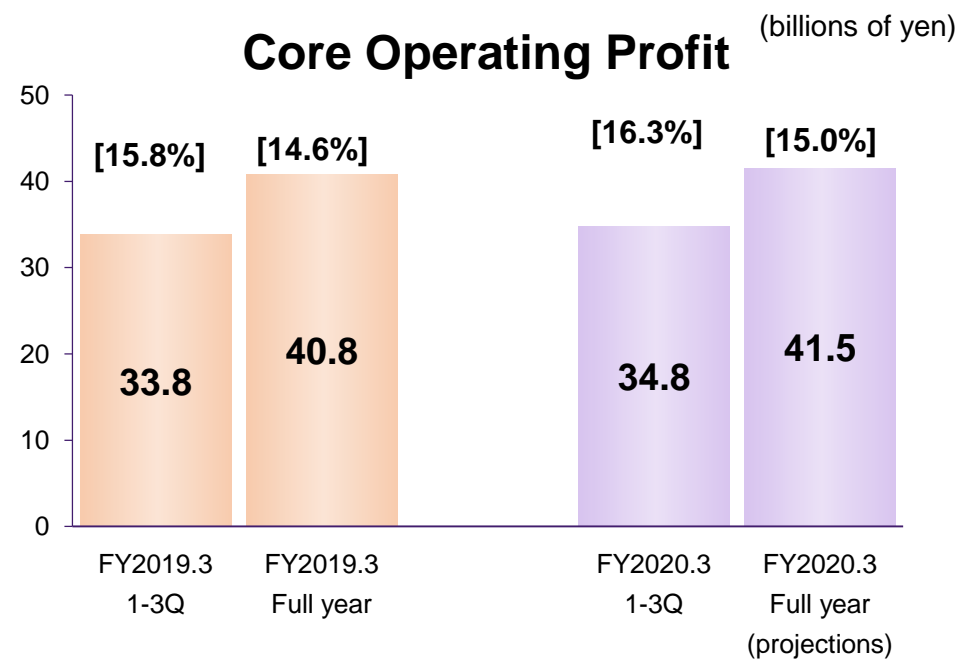


Nine Months: Strong sales exceeded previous year's figures in all categories

- Piano sales were robust, supported by double-digit growth in China and emerging markets. Sales of digital musical instruments and wind instruments were brisk, except in Japan. Guitar sales increased year-on-year in all regions, achieving double-digit growth.
- Sales of all products exceeded the previous year's levels in China, maintaining double-digit growth of 11%. Sales remained robust in Europe, North America, and emerging markets. Sales in Japan declined year-on-year, due to the impact of the consumption tax hike.

Full Year Projection: Growth expected in all product categories

- Double-digit growth is anticipated in guitar sales, and strong growth is also forecast for pianos and digital pianos
- The new coronavirus is predicted to cause uncertainty in China in Q4. With the exception of Japan, sales are expected to be robust elsewhere, i.e., in North America, Europe, and emerging markets.

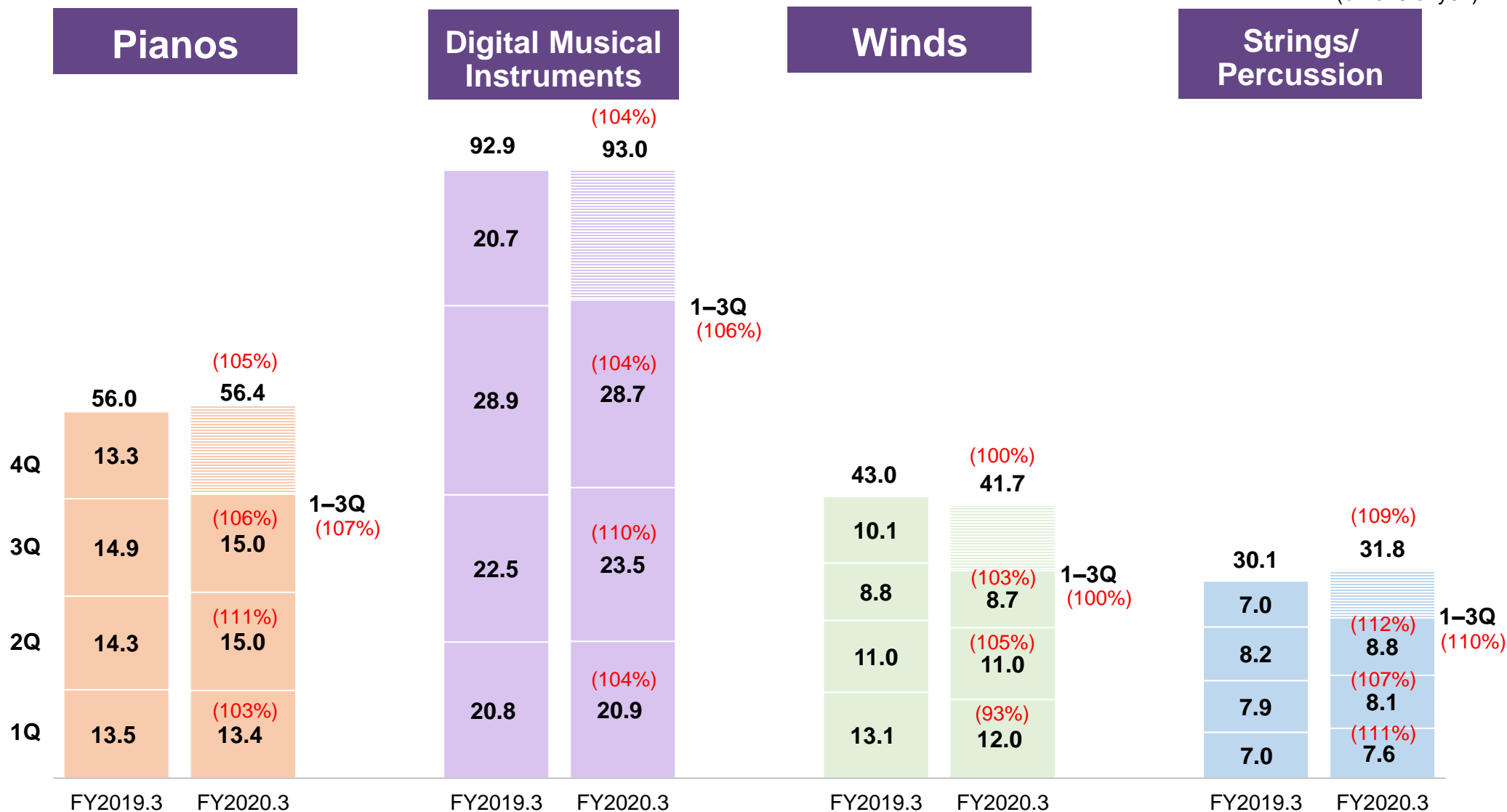


Red figures show actual YoY changes discounting impact of exchange rates

Figures in [] indicate core operating profit ratio

Revenue by Major Product Category

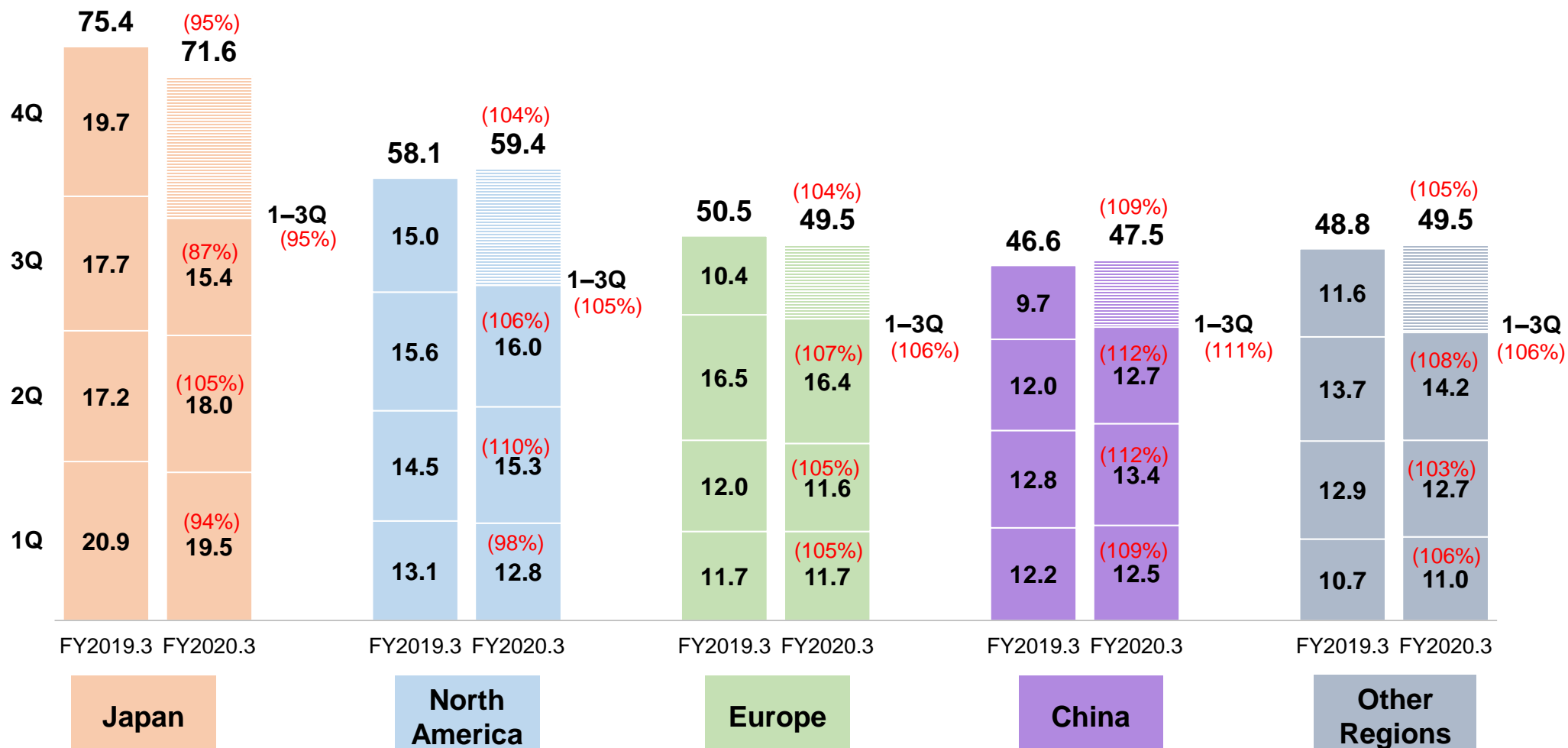
(billions of yen)



Red figures show actual YoY changes discounting impact of exchange rates

Revenue by Region

(billions of yen)

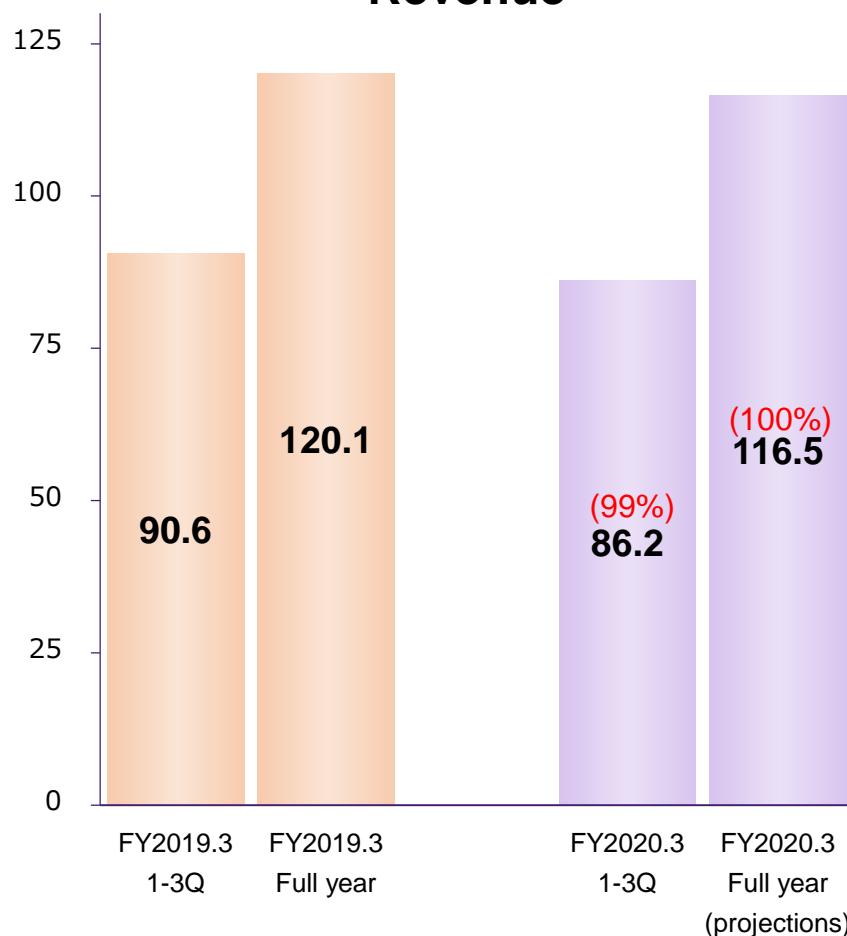


* Software products and music schools included
 Red figures show actual YoY changes discounting impact of exchange rates

Segment Revenue and Core Operating Profit

(billions of yen)

Revenue



Nine Months: Although AV product sales were down year-on-year, sales of PA equipment remained robust

- AV products: sales of receivers were lower than in the same period of the previous year as the global decline in demand worsened
- PA equipment: sales of speakers and other new products were brisk, and installation services were robust in Japan. Continuing strong results exceeded the previous year's figures in all regions.
- ICT devices, etc.: sales of routers and other products were robust. As projected, OEM sales of unified communication (UC) products* in China declined.

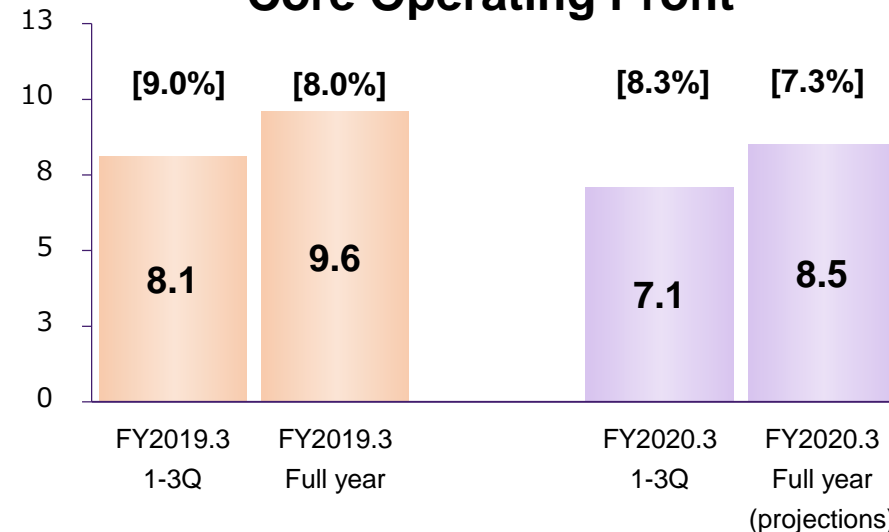
Full Year Projection: Growth anticipated in PA equipment, but AV product sales projected to decline year-on-year

- AV products: sales are expected to be lower than the same period of the previous year, due to the downturn in receivers
- PA equipment: sales are projected to rise year-on-year, due to the impact of new products combined with strength in music production and installation services
- ICT devices, etc.: although sales of routers and other products will rally, the decline in OEM sales of UC products will accelerate, leading to a year-on-year decline

*UC products: conference systems

(billions of yen)

Core Operating Profit



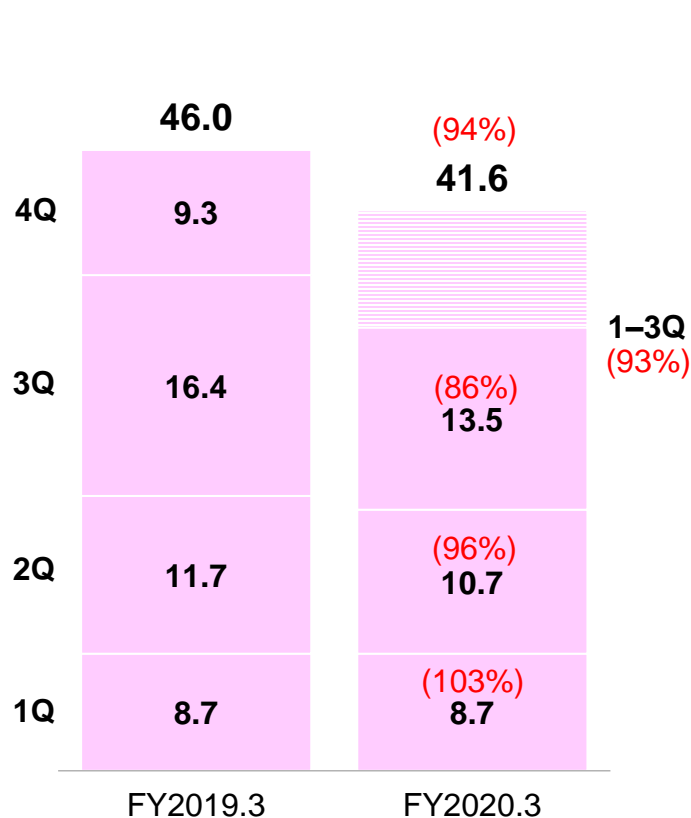
Red figures show actual YoY changes discounting impact of exchange rates

Figures in [] indicate core operating profit ratio

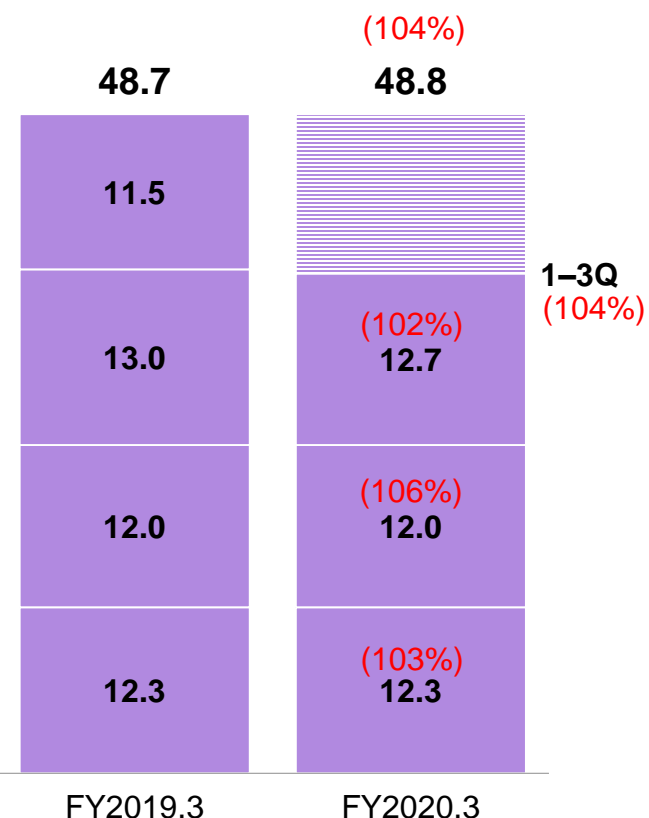
Revenue by Major Product Category

(billions of yen)

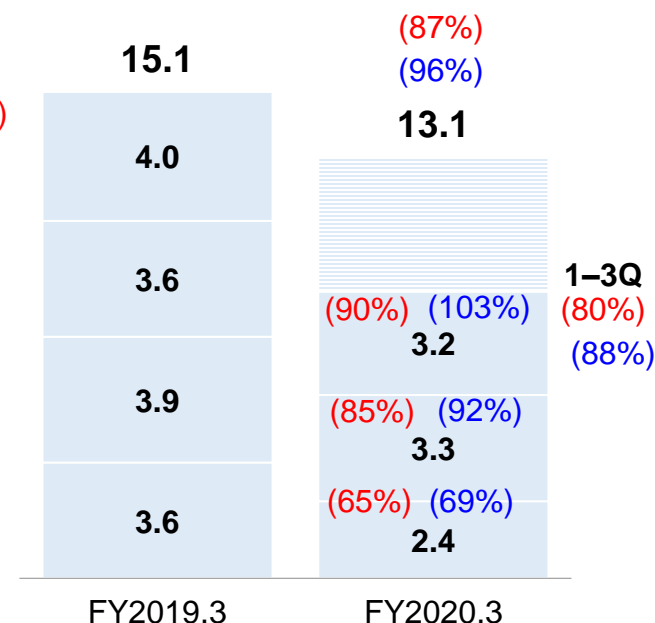
AV Products



PA Equipment



ICT Devices



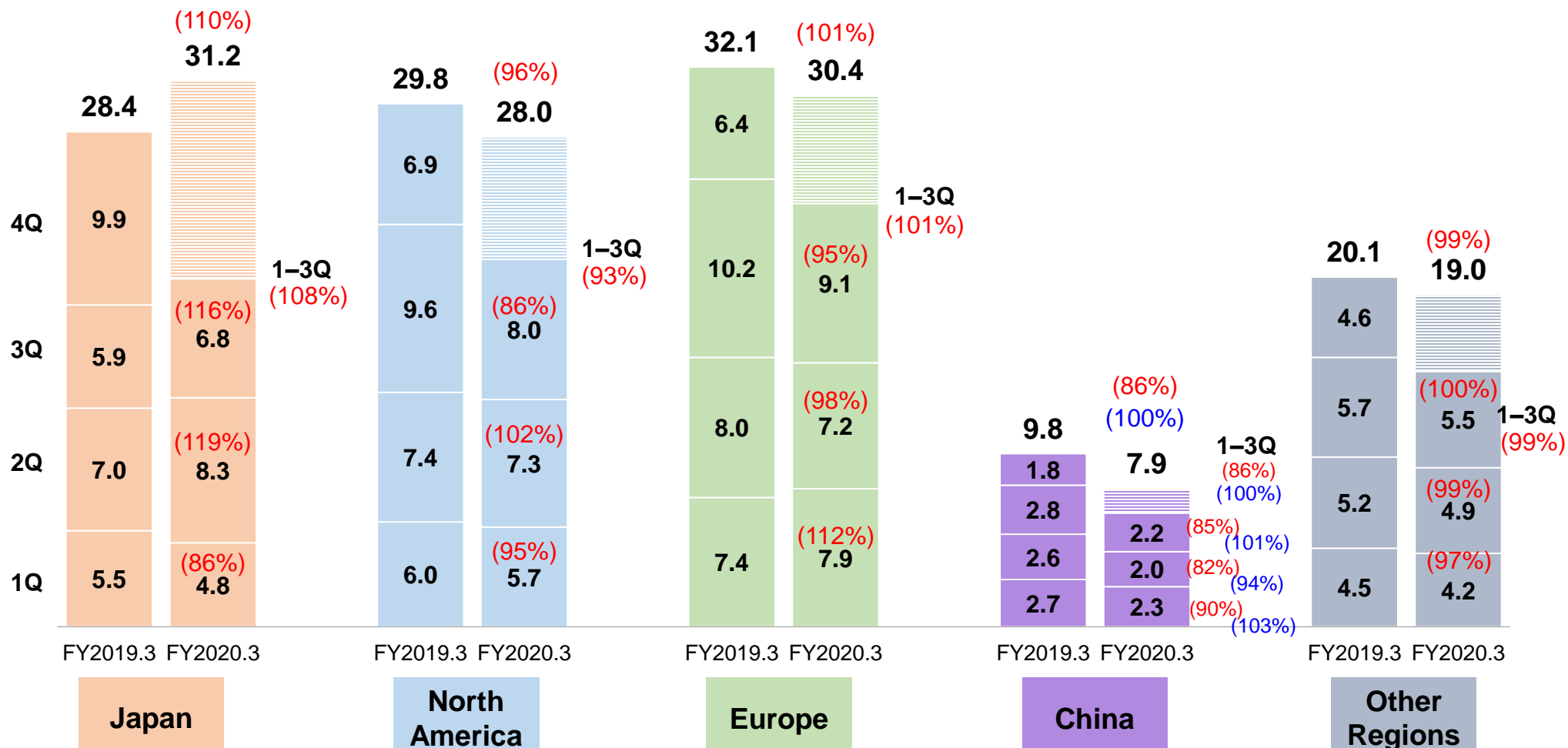
*Includes only sales of products for PA Equipment (excluding engineering and installation services)

Red figures show actual YoY changes discounting impact of exchange rates

Blue figures show actual YoY changes excluding the sales of OEM products

Revenue by Region

(billions of yen)

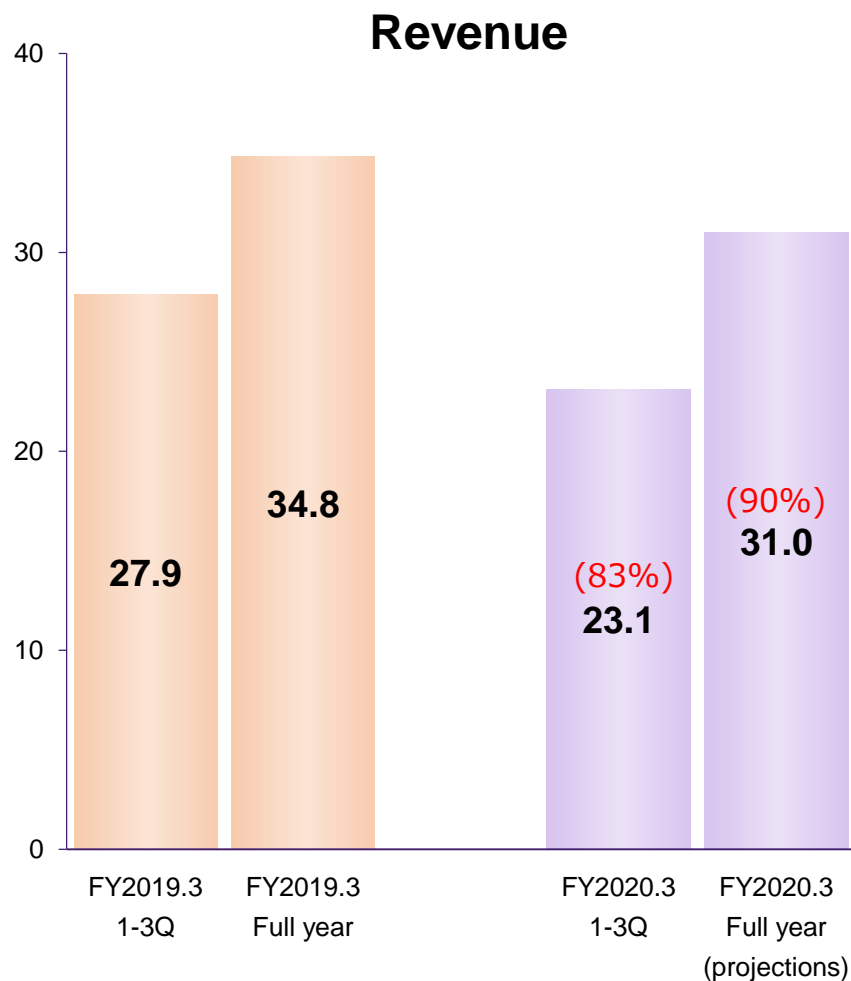


Red figures show actual YoY changes discounting impact of exchange rates

Blue figures show actual YoY changes excluding the sales of OEM products

Segment Revenue and Core Operating Profit

(billions of yen)



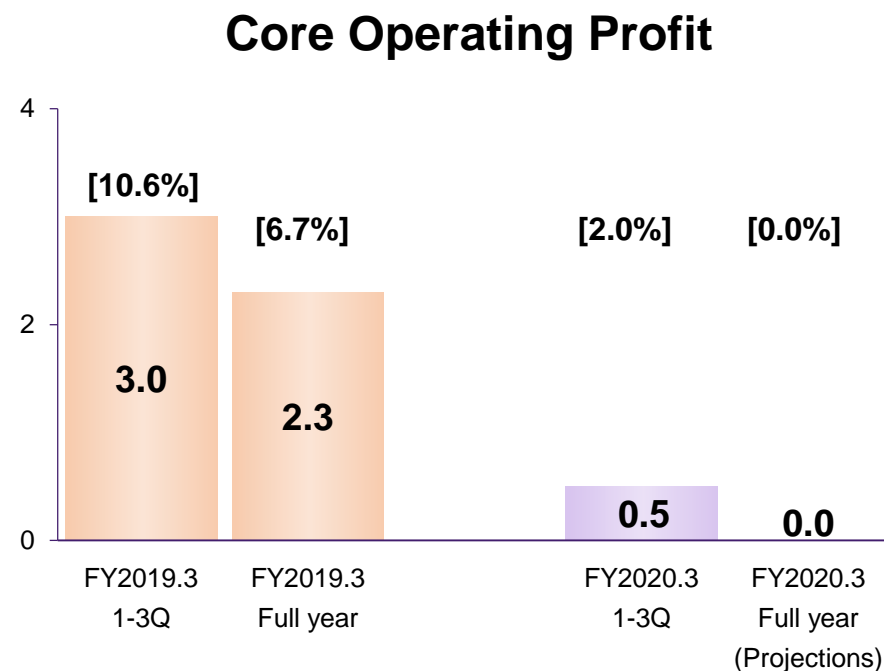
Nine Months:

- Market conditions for factory automation equipment did not recover, and demand fell well short of the previous year, when there were special orders

Full Year Projection:

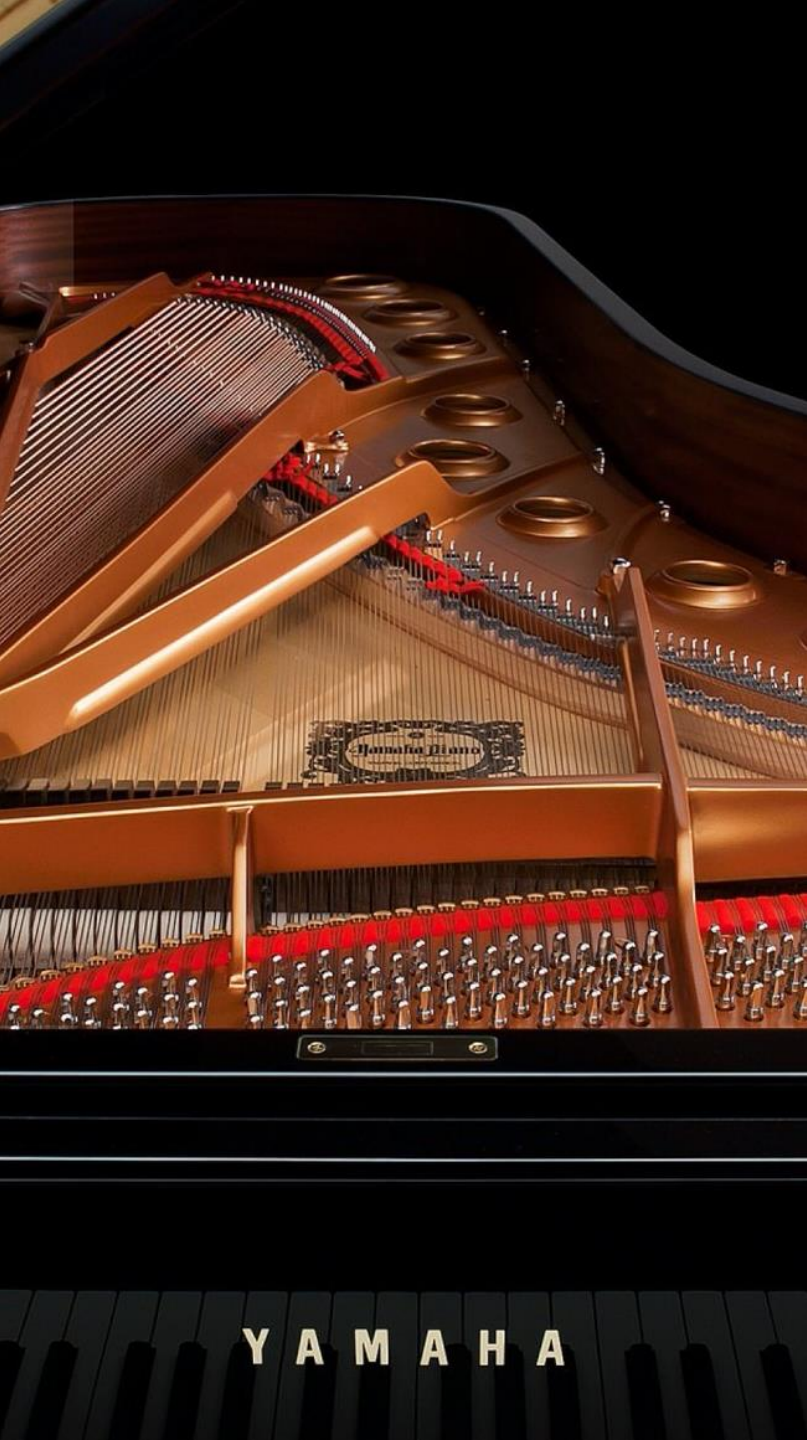
- With no prospect of market conditions picking up, sales of factory automation equipment are projected to decline sharply year-on-year
- Sales in the electronic device category are expected to increase year-on-year, due to a rebound in sales of devices for amusement equipment

(billions of yen)



Red figures show actual YoY changes discounting impact of exchange rates

Figures in [] indicate core operating profit ratio



3. Other Financial Figures

Balance Sheet Summary

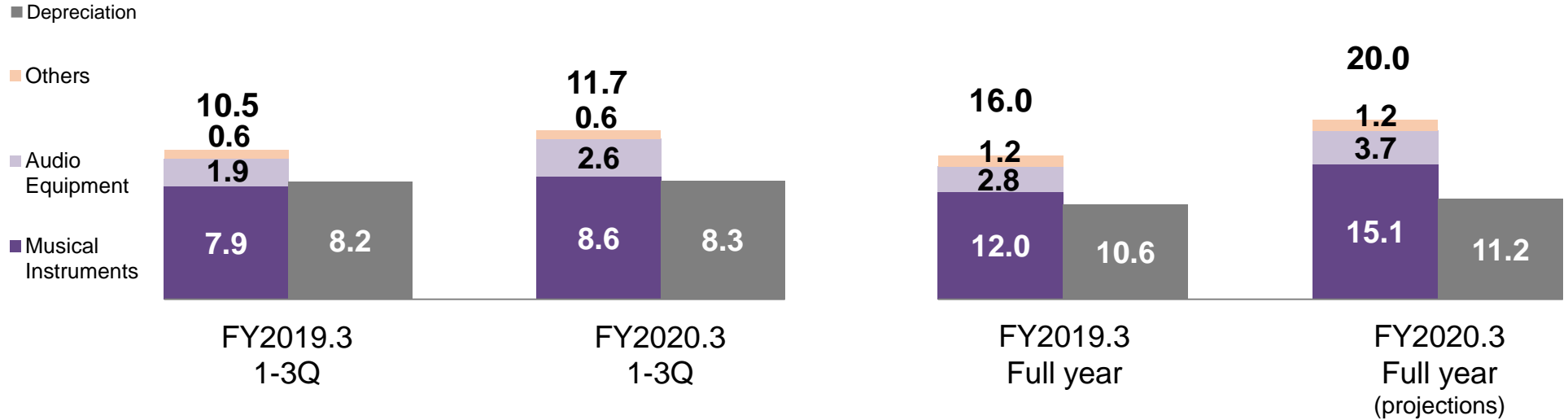
| | As of Mar. 31, 2019 | As of Dec. 31, 2019 | Change | As of March 31, 2020 (projections) |
|-------------------------------------|------------------------|------------------------|--------------|--|
| Cash and cash equivalents | 95.8 | 99.2 | +3.4 | 96.5 |
| Trade and other receivables | 65.3 | 69.2 | +3.9 | 65.2 |
| Other financial assets | 10.5 | 11.8 | +1.3 | 11.8 |
| Inventories | 101.0 | 103.6 | +2.6 | 99.0 |
| Other current assets | 10.1 | 6.8 | -3.4 | 6.8 |
| Non-current assets | 233.1 | 237.0 | +3.9 | 241.9 |
| Total assets | 515.9 | 527.7 | +11.7 | 521.1 |
| Current liabilities | 100.4 | 105.1 | +4.6 | 100.2 |
| Non-current liabilities | 56.5 | 55.8 | -0.6 | 55.7 |
| Total equity | 359.0 | 366.8 | +7.8 | 365.1 |
| Total liabilities and equity | 515.9 | 527.7 | +11.7 | 521.1 |

(billions of yen)

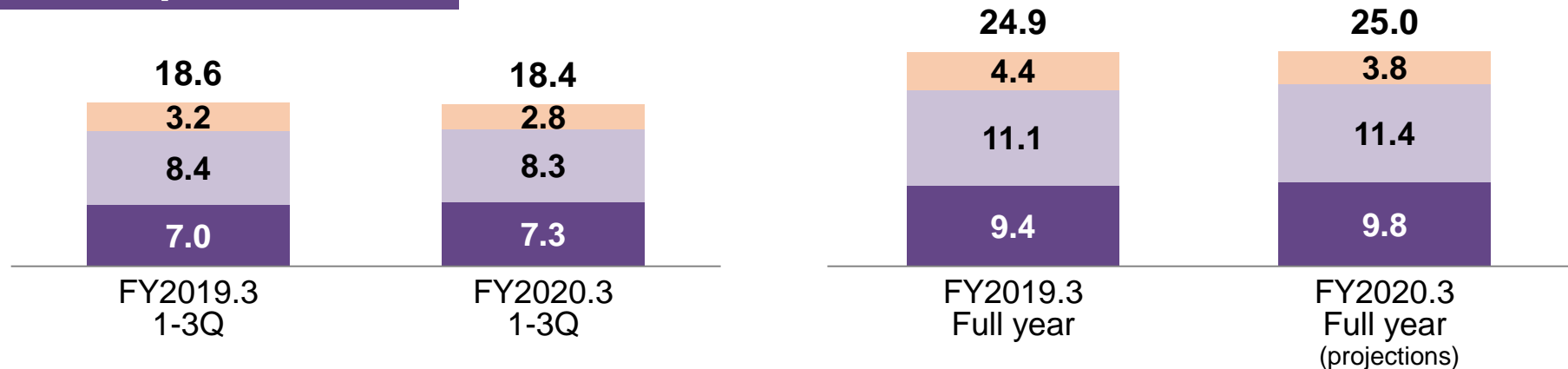
Capital Expenditure/Depreciation, R&D Expense

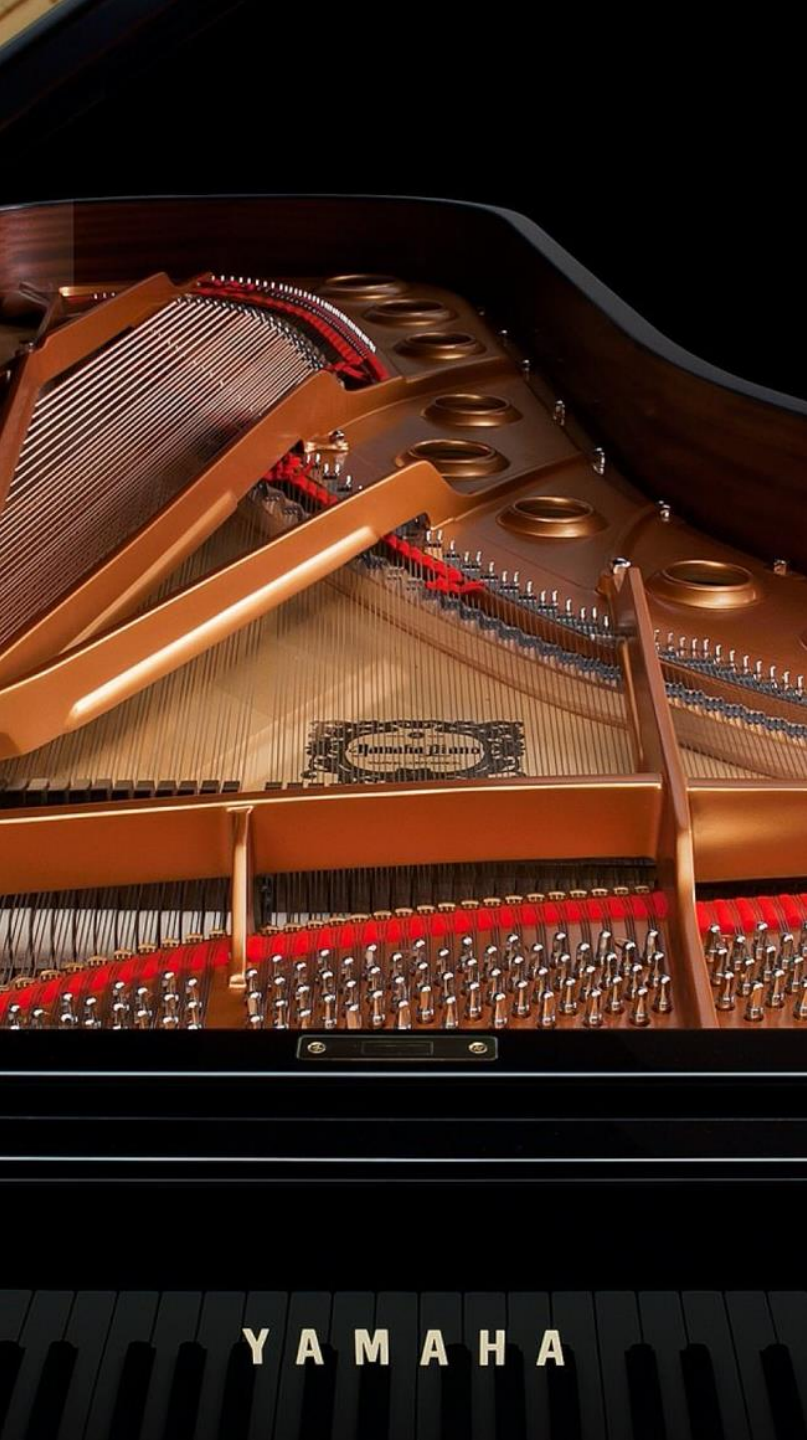
(billions of yen)

Capital Expenditure/Depreciation



R&D Expenses





Appendix

Performance in 3Q FY2020.3 (Three Months)

(billions of yen)

| | FY2019.3 3Q | FY2020.3 3Q | Change | |
|---|-----------------|------------------------|--------|---------------------|
| Revenue | 118.4 | 114.1 | -4.3 | -3.7% ^{*2} |
| Core Operating Profit (Core Operating Profit Ratio) | 18.2 (15.3%) | 16.3 (14.2%) | -1.9 | -10.5% |
| Net Profit ^{*1} | 12.5 | 11.6 | -0.9 | -7.1% |

| Exchange Rate (yen) | | | |
|--|-------------|-----|------------|
| Revenue (Average rate during the period) | US\$ | 113 | 109 |
| | EUR | 129 | 120 |
| Profit (Settlement rate) | US\$ | 113 | 109 |
| | EUR | 132 | 119 |

^{*2} +0.1%
(Excluding the impact of exchange rate)

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

Performance by Business Segment in 3Q FY2020.3 (Three Months)

(billions of yen)

| | | FY2019.3 3Q | FY2020.3 3Q | Change | Exchange rate impact |
|---|------------------------------|-------------|-------------|-------------|----------------------|
| Musical Instruments | Revenue | 75.4 | 74.7 | -0.7 | -3.1 |
| | Core Operating Profit | 13.3 | 12.5 | -0.8 | -1.6 |
| | Core Operating Profit Ratio | 17.7% | 16.8% | -0.9P | |
| Audio Equipment | Revenue | 34.3 | 31.7 | -2.6 | -1.3 |
| | Core Operating Profit | 4.0 | 3.5 | -0.6 | -0.5 |
| | Core Operating Profit Ratio | 11.7% | 11.0% | -0.8P | |
| IMC^{*1} Business and Others | Revenue | 8.8 | 7.7 | -1.0 | -0.1 |
| | Core Operating Profit | 0.8 | 0.3 | -0.5 | 0 |
| | Core Operating Profit Ratio | 8.9% | 3.5% | -5.4P | |

3Q Other Income and Expenses (Nine Months)

| | | FY2019.3 1-3Q | FY2020.3 1-3Q | (billions of yen) |
|--|--|------------------|------------------|-------------------|
| Core Operating Profit | | 44.9 | 42.4 | |
| Other Income and Expenses | Profit from (loss on) disposal of fixed assets | 0 | 0.3 | |
| | Others | 0.4 | 1.4 | |
| | Total | 0.4 | 1.6 | |
| Operating Profit | | 45.3 | 44.0 | |
| Financial Income and Expenses | Dividends income | 2.2 | 2.2 | |
| | Others | 0 | -0.8 | |
| | Total | 2.2 | 1.4 | |
| Profit before Income Taxes | | 47.5 | 45.5 | |
| Income taxes | | 13.8 | 12.6 | |
| Net profit attributable to non-controlling interests | | 0 | 0.1 | |
| Net Profit^{*1} | | 33.7 | 32.7 | |

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

Full Year Projections of Other Income and Expenses

| | | FY2019.3 Full year | FY2020.3 Full year (projections) |
|--|--|-----------------------|--|
| | | (billions of yen) | |
| Core Operating Profit | | 52.7 | 50.0 |
| Other Income and Expenses | Profit from (loss on) disposal of fixed assets | -0.3 | 0.2 |
| | Others | 0.3 | 1.3 |
| | Total | 0.1 | 1.5 |
| Operating Profit | | 52.8 | 51.5 |
| Financial Income and Expenses | Dividends income | 3.8 | 3.7 |
| | Others | -0.1 | -0.7 |
| | Total | 3.7 | 3.0 |
| Profit before Income Taxes | | 56.5 | 54.5 |
| Income taxes | | 16.1 | 14.9 |
| Net profit attributable to non-controlling interests | | 0 | 0.1 |
| Net Profit^{*1} | | 40.3 | 39.5 |

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

In this report, the figures forecast for the Company's future performance have been calculated on the basis of information currently available to Yamaha and the Yamaha Group. Forecasts are, therefore, subject to risks and uncertainties.

Accordingly, actual performance may differ greatly from our projections depending on changes in the economic conditions surrounding our business, demand trends, and the value of key currencies, such as the U.S. dollar and the euro.