

FY2004 Interim Period Performance Outline

YAMAHA CORPORATION
(billions of yen)

	Initial Projection (Aug.08,2003) 1H/2004	Results 1H/2004	Results (Previous Year) 1H/2003	Initial Projection (Aug.08,2003) FY2004	Forecast FY2004	Results (Previous Year) FY2003
Net Sales	264.0	266.2	253.7	541.0	544.0	524.7
JAPAN Sales	157.3 (59.6%)	161.7 (60.8%)	152.2 (60.0%)	308.9 (57.1%)	318.1 (58.5%)	312.1 (59.5%)
Overseas Sales	106.7 (40.4%)	104.5 (39.2%)	101.5 (40.0%)	232.1 (42.9%)	225.9 (41.5%)	212.6 (40.5%)
Operating Income	20.5 (7.8%)	26.4 (9.9%)	13.1 (5.2%)	34.0 (6.3%)	42.0 (7.7%)	32.0 (6.1%)
Recurring Profit	21.5 (8.1%)	29.7 (11.2%)	14.2 (5.6%)	37.0 (6.8%)	47.5 (8.7%)	33.8 (6.4%)
Net Income	19.0 (7.2%)	26.2 (9.9%)	10.0 (4.0%)	31.0 (5.7%)	41.5 (7.6%)	17.9 (3.4%)
Currency Exchange Rate (=yen)	120/US\$ 125/EUR	119/US\$ 127/EUR	122/US\$ 115/EUR	120/US\$ 125/EUR	115/US\$ (*3) 126/EUR	122/US\$ 116/EUR
ROE(%)	8.4%	11.5%	4.9%	13.5%	17.6%	8.6%
ROA(%)	3.6%	5.0%	1.9%	6.0%	8.2%	3.5%
Earnings per share	92.2yens	127.4yens	48.9yens	150.4yens	200.9yens	86.7yens
Capital Expenditure	13.0	9.5	8.5	24.0	21.8	16.9
Depreciation	9.4	8.8	9.1	19.5	19.0	17.6
R&D Expenditure	11.3	11.1	11.4	22.5	22.8	22.4
Loans & Equivalents(*1)	47.9	46.7	69.5	33.1	22.6	46.0
Free Cash Flow						
Operating Activities	12.0	10.6	-0.3	51.2	56.1	33.0
Investing Activities	-12.8	-8.8	-11.4	-26.0	-22.8	-21.6
Total	-0.8	1.8	-11.7	25.2	33.3	11.4
Inventories at year-end	88.8	86.5	90.7	73.1	70.8	80.1
No. of Employees						
JAPAN	12,235	12,066	12,089	12,037	11,928	11,887
Overseas	12,611	12,694	12,176	12,179	12,219	11,676
Total (*2)	24,846	24,760	24,265	24,216	24,147	23,563
(Newly consolidated)	(723)	(707)		(720)	(710)	
Sales by Business segment						
Musical Instruments	149.0 (56.4%)	149.1 (56.0%)	146.2 (57.6%)	302.0 (55.8%)	297.5 (54.7%)	292.6 (55.8%)
AV/IT	35.5 (13.4%)	34.0 (12.8%)	38.5 (15.2%)	86.0 (15.9%)	83.0 (15.3%)	83.7 (16.0%)
Life Related	23.0 (8.7%)	23.2 (8.7%)	23.6 (9.3%)	45.5 (8.4%)	45.5 (8.4%)	46.0 (8.8%)
Electronic Equipment	33.0 (12.5%)	36.4 (13.7%)	24.9 (9.8%)	61.5 (11.4%)	70.5 (13.0%)	60.6 (11.5%)
Recreation	10.5 (4.0%)	10.3 (3.9%)	10.3 (4.1%)	21.5 (4.0%)	21.0 (3.9%)	20.9 (4.0%)
Others	13.0 (4.9%)	13.3 (5.0%)	10.3 (4.1%)	24.5 (4.5%)	26.5 (4.9%)	20.9 (4.0%)
Operating Income by Business segment						
Musical Instruments	7.0	9.7	6.0	12.0	12.0	9.8
AV/IT	1.5	1.4	1.0	3.7	4.0	3.2
Life Related	0.8	1.1	0.5	0.8	1.0	0.5
Electronic Equipment	11.5	14.2	5.9	17.7	25.0	19.3
Recreation	-0.4	-0.5	-0.8	-0.5	-0.5	-1.1
Others	0.1	0.5	0.5	0.3	0.5	0.4
Non Consolidated Basis						
Net Sales	174.0	179.9	172.0	334.0	341.0	334.0
Operating Income	15.0 (8.6%)	18.7 (10.4%)	10.5 (6.2%)	16.5 (4.9%)	23.5 (6.9%)	21.8 (6.5%)
Recurring Profit	15.0 (8.6%)	19.7 (11.0%)	10.9 (6.4%)	16.0 (4.8%)	24.5 (7.2%)	22.1 (6.6%)
Net Income	14.0 (8.0%)	19.2 (10.7%)	7.6 (4.5%)	14.0 (4.2%)	23.5 (6.9%)	7.7 (2.3%)

*1 Loans & Equivalents = Loans(Short term , Long term) + Convertible Bonds - Cash & Bank Deposit

*2 No. of Employees = No. of Full-time Staff at year-end + Average No. of Temp. Staff

*3 2H Currency Exchange Rates US\$=110JPY EUR=125JPY