

## Second Quarter of FY2019.3 Performance Outline

YAMAHA CORPORATION

November 1, 2018

(Billions of yen)

	Six Months Results Ended Sept. 30, 2017	Six Months Results Ended Sept. 30, 2018	Results (Previous Year)	Projections (Full Year)	Previous Projections <sup>(*)</sup> (Full Year) (Announced on May 1, 2018)
	FY2018.3	FY2019.3	FY2018.3	FY2019.3	FY2019.3
Net Sales	209.8	214.6	433.0	442.0	442.0
Sales in Japan	66.7 (31.8%)	64.0 (29.8%)	133.7 (30.9%)	135.2 (30.6%)	136.2 (30.8%)
Overseas Sales	143.1 (68.2%)	150.6 (70.2%)	299.2 (69.1%)	306.8 (69.4%)	305.7 (69.2%)
Operating Income	23.9 (11.4%)	28.5 (13.3%)	48.8 (11.3%)	55.0 (12.4%)	55.0 (12.4%)
Ordinary Income	24.7 (11.8%)	29.8 (13.9%)	49.2 (11.4%)	55.0 (12.4%)	55.0 (12.4%)
Net Income <sup>(*)</sup>	19.6 (9.4%)	21.9 (10.2%)	54.4 (12.6%)	40.0 (9.0%)	40.0 (9.0%)
Currency Exchange Rate <sup>(*)</sup> (Settlement Rate) (=yen)	111/US\$ 122/EUR	110/US\$ 132/EUR	111/US\$ 126/EUR	107/US\$ <sup>(*)</sup> 129/EUR	105/US\$ <sup>(*)</sup> 125/EUR
ROE <sup>(*)</sup>	10.2%	11.0%	14.5%	10.0%	10.0%
ROA <sup>(*)</sup>	7.1%	7.8%	10.2%	7.1%	7.1%
Earnings per Share	104.8yen	120.3yen	291.8yen	220.0yen	220.0yen
Capital Expenditures (Depreciation Expenses)	11.2 (5.4)	8.0 (5.4)	24.6 (10.8)	25.4 (11.6)	25.4 (11.6)
R&D Expenses	12.2	12.1	24.8	25.7	27.1
<b>Cash Flows</b>					
Operating Activities	9.6	4.5	47.5	35.0	35.0
Investing Activities	-11.7	-13.4	4.8	-25.0	-25.0
Free Cash Flow	-2.1	-8.9	52.3	10.0	10.0
Inventories at End of Period	103.9	107.2	94.1	91.0	91.0
<b>Number of Employees</b>					
Japan	5,952	5,832	5,845	5,900	5,900
Overseas	14,479	14,588	14,383	15,400	15,400
Total <sup>(*)</sup> (Changes from the changes in the scope of consolidation)	20,431 -	20,420 -	20,228 -	21,300 -	21,300 -
Temporary Staff (average during the period)	7,987	7,949	7,558	7,700	7,700
<b>Sales by Business Segment</b>					
Musical Instruments	134.2 (64.0%)	139.0 (64.8%)	274.5 (63.4%)	279.5 (63.2%)	277.5 (62.8%)
Audio Equipment	57.6 (27.4%)	56.5 (26.3%)	121.8 (28.1%)	123.5 (28.0%)	125.5 (28.4%)
Others	18.1 (8.6%)	19.1 (8.9%)	36.7 (8.5%)	39.0 (8.8%)	39.0 (8.8%)
<b>Operating Income by Business Segment</b>					
Musical Instruments	16.6	21.6	34.6	40.5	39.5
Audio Equipment	5.2	4.7	10.7	11.0	12.0
Others	2.1	2.2	3.5	3.5	3.5

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

\*2, 6 Currency exchange rate is the export and import transaction rate applied to profit calculation. 2H Currency Exchange Rates US\$=105JPY EUR=125 JPY

\*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

\*7 Projections as of Aug.1, 2018 remain unchanged from the original projection

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.