For Immediate Release

April 28, 2016

Company Name:  YAMAHA CORPORATION
President and Representative Director:  Takuya Nakata
Code Number:  7951 (First Section of Tokyo Stock Exchange)

Outline of the Consolidated Financial Results
for the Fiscal Year Ended March 31, 2016 (FY2016.3)
and Outlook for Performance in FY2017.3

Consolidated Performance in FY2016.3

Four Consecutive Annual Increases in Net Sales and Income

Consolidated net sales in FY2016.3 increased ¥3.3 billion, or 0.8% over the previous fiscal year, to ¥435.5 billion. Consolidated operating income rose ¥10.5 billion, or 34.9%, to ¥40.7 billion. Ordinary income expanded ¥9.7 billion, or 31.0%, to ¥40.9 billion, and net income attributable to owners of the parent increased ¥7.7 billion, or 30.9%, to ¥32.6 billion. Therefore, major gains were shown in all indicators of profitability, and return on equity (ROE) amounted to 10.1%.

As a result, the Company reported increases in net sales and income for four consecutive fiscal years. In addition, in FY2016.3, the final year under the Yamaha Management Plan 2016 (YMP2016), the Company attained all of the numerical targets of the plan.

Sales and Operating Income/Loss by Business Segment

Figures in parentheses are percentage changes from the previous fiscal year, except as indicated.

Musical Instruments

Sales of ¥278.9 billion (–1.0%) and Operating Income of ¥31.5 billion (+25.8%)

Sales of all musical instrument groups expanded, with the exception of Electones™, where sales were strong in the previous fiscal year due to a new product launch.

Sales of acoustic pianos showed expansion in China, and, among digital musical instruments, sales of digital pianos increased in all regions. Sales of wind instruments increased in North America, Japan, and all other regions, while sales of guitars expanded in Europe, China, and Japan.
Sales in this segment as a whole decreased year on year by ¥2.8 billion (–1.0%), to ¥278.9 billion, in part because of the effect of a ¥12.4 billion decline in sales accompanying the transfer of Yamaha’s music school Business in Japan in the second quarter to Yamaha Music Foundation (a general incorporated foundation). Operating income expanded ¥6.5 billion (+25.8%), to ¥31.5 billion.

**Audio Equipment**

Sales of ¥119.4 billion (+5.8%) and Operating Income of ¥8.7 billion (+41.7%)

In the audio products business, sales expanded mainly overseas, and overall segment sales rose year on year. Sales of the professional audio equipment business were strong and continued to rise at double-digit levels. Although sales of commercial online karaoke equipment decreased, within the ICT (information and communication technology) equipment business, sales of routers and voice communication devices held firm.

Sales in this segment as a whole were up ¥6.5 billion (+5.8%) year on year, to ¥119.4 billion. Operating income expanded ¥2.6 billion (+41.7%), to ¥8.7 billion.

**Electronic Devices**

Sales of ¥13.1 billion (–2.7%) and Operating Income of ¥0.1 billion (compared with an operating loss of ¥1.4 billion in the previous year)

In the semiconductor business, sales of LSIs for amusement equipment moved higher, but sales of digital amplifiers for mobile devices were weak.

Sales for this segment as a whole decreased ¥0.4 billion (–2.7%), to ¥13.1 billion. Operating income was ¥0.1 billion (compared with an operating loss of ¥1.4 billion in the previous fiscal year).

**Others**

Sales of ¥24.2 billion (–0.3%) and Operating Income of ¥0.3 billion (–13.5%)

In the Others business segment, shipments of FA (factory automation) equipment increased, and sales of the golf products and resort businesses held firm. These strong performances offset the decline in turnover in the automobile interior wood components business, and sales of this segment as a whole were virtually level with the same period of the previous fiscal year.
Sales of this segment as a whole were ¥24.2 billion, approximately the same as in the previous fiscal year. Operating income declined ¥0.1 billion (–13.5%), to ¥0.3 billion.

■ Non-Consolidated Performance in FY2016.3
Decrease in Net sales but Increase in Operating Income
Sales of Yamaha on a non-consolidated basis in FY2016.3 were ¥232.8 billion (–0.4%), and operating income amounted to ¥15.2 billion (+45.0%). Ordinary income was ¥27.1 billion (+10.7%), and net income amounted to ¥20.2 billion (–20.2%).

■ Consolidated Forecast for FY 2017.3
The forecast is for net sales to decline but for income to increase.

The Company’s forecast for consolidated performance for FY2017.3 calls for net sales of ¥420.0 billion (–3.6%), operating income of ¥42.0 billion (+3.3%), and ordinary income of ¥42.0 billion (+2.7%). Net income attributable to owners of the parent is forecast to be ¥45.5 billion (+39.4%).

This forecast takes account of a ¥4.2 billion decline in sales accompanying the transfer of Yamaha’s music school business in Japan to Yamaha Music Foundation (a general incorporated foundation) as well as a decrease in sales due to foreign currency fluctuations. In addition, the forecast includes income taxes—deferred of ¥13.5 billion accompanying the reporting of deferred tax assets after reviewing recoverability of such assets based on the recent trends in performance. The foreign exchange rates assumed for the fiscal year are ¥110 to US$1 and ¥125 to €1.

Note: Sales and income/loss figures in the text above have, in principle, been rounded to the nearest ¥0.1 billion.

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### FY2016.3 Performance Outline

#### Results Projections

<table>
<thead>
<tr>
<th></th>
<th>Results (Previous Year)</th>
<th>Projections (announced on Feb. 4, 2016)</th>
<th>Results FY2016.3</th>
<th>Projections (Full Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>432.2 (billions of yen)</td>
<td>437.0</td>
<td>435.5</td>
<td>420.0</td>
</tr>
<tr>
<td><strong>Japan Sales</strong></td>
<td>160.4 (37.1%)</td>
<td>144.2 (33.0%)</td>
<td>145.0 (33.3%)</td>
<td>140.0 (33.3%)</td>
</tr>
<tr>
<td><strong>Overseas Sales</strong></td>
<td>271.8 (62.9%)</td>
<td>292.8 (67.0%)</td>
<td>290.5 (66.7%)</td>
<td>280.0 (66.7%)</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>30.1 (7.0%)</td>
<td>41.0 (9.4%)</td>
<td>40.7 (9.3%)</td>
<td>42.0 (10.0%)</td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td>31.2 (7.2%)</td>
<td>41.5 (9.5%)</td>
<td>40.9 (9.4%)</td>
<td>42.0 (10.0%)</td>
</tr>
<tr>
<td><strong>Net Income (</strong>)</td>
<td>24.9 (5.8%)</td>
<td>34.5 (7.9%)</td>
<td>32.6 (7.5%)</td>
<td>45.5 (10.8%)</td>
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</tbody>
</table>

#### Currency Exchange Rate

<table>
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<th>(Settlement Rate) (=yen)</th>
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<tbody>
<tr>
<td><strong>109/US$</strong></td>
<td>121/US$</td>
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<tr>
<td><strong>141/EUR</strong></td>
<td>134/EUR</td>
</tr>
</tbody>
</table>

#### Financial Ratios

- **ROE**: 8.1% (FY2015.3), 10.0% (FY2016.3), 10.1% (FY2017.3)
- **ROA**: 5.1% (FY2015.3), 6.6% (FY2016.3), 6.5% (FY2017.3)

#### Earnings per Share

- 128.8 yen (FY2015.3), 178.5 yen (FY2016.3), 168.9 yen (FY2017.3), 242.7 yen

#### Capital Expenditure

- 13.8 (FY2015.3), 12.3 (FY2016.3), 11.2 (FY2017.3), 20.6

#### Cash Flows

- **Operating Activities**: 31.7 (FY2015.3), 41.0 (FY2016.3), 42.4 (FY2017.3), 43.0
- **Investing Activities**: -11.7 (FY2015.3), -2.0 (FY2016.3), 0.6 (FY2017.3), -21.5
- **Total**: 20.0 (FY2015.3), 39.0 (FY2016.3), 43.0 (FY2017.3), 21.5

#### Inventories at End of Period

- 87.8 (FY2015.3), 92.1 (FY2016.3), 91.9 (FY2017.3), 87.8

#### Number of Employees

- **Japan**: 6,541 (FY2015.3), 6,200 (FY2016.3), 6,149 (FY2017.3), 6,200
- **Overseas**: 13,426 (FY2015.3), 14,200 (FY2016.3), 14,199 (FY2017.3), 14,700
- **Total**: 19,967 (FY2015.3), 20,400 (FY2016.3), 20,348 (FY2017.3), 20,900

#### Sales by Business Segment

- **Musical Instruments**: 281.7 (FY2015.3), 281.5 (FY2016.3), 278.9 (FY2017.3), 263.0 (62.6%)
- **Audio Equipment**: 112.8 (FY2015.3), 118.5 (FY2016.3), 119.4 (FY2017.3), 120.0 (28.6%)
- **Electronic Devices**: 13.4 (FY2015.3), 13.0 (FY2016.3), 13.1 (FY2017.3), -
- **Others**: 24.2 (FY2015.3), 24.0 (FY2016.3), 24.2 (FY2017.3), 37.0 (8.8%)

#### Operating Income by Business Segment

- **Musical Instruments**: 25.1 (FY2015.3), 31.5 (FY2016.3), 31.5 (FY2017.3), 32.5
- **Audio Equipment**: 6.1 (FY2015.3), 8.5 (FY2016.3), 8.7 (FY2017.3), 9.0
- **Electronic Devices**: -1.4 (FY2015.3), 0.5 (FY2016.3), 0.1 (FY2017.3), -
- **Others**: 0.4 (FY2015.3), 0.5 (FY2016.3), 0.3 (FY2017.3), 0.5

#### Non-Consolidated Basis

<table>
<thead>
<tr>
<th></th>
<th>Net Sales (billions of yen)</th>
<th>Operating Income (billions of yen)</th>
<th>Ordinary Income (billions of yen)</th>
<th>Net Income (billions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>233.7</td>
<td>10.5 (4.5%)</td>
<td>24.5 (10.5%)</td>
<td>25.3 (10.8%)</td>
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<tr>
<td><strong>Operating Income</strong></td>
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<tr>
<td><strong>Ordinary Income</strong></td>
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<tr>
<td><strong>Net Income</strong></td>
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*1 Net income is presented as net income attributable to owners of parent on the consolidated financial statements.
*2 Number of employees = Number of full-time staff at end of the period.
*3 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.
*4 Effective in FY2017.3, others segment includes electronic devices segment which was closed at the end of FY2016.3.

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.