Outline of the Yamaha Consolidated Financial Results through the Third Quarter (Nine Months) of the Fiscal Year Ending March 31, 2018 (FY2018.3) and Outlook for Consolidated Performance in FY2018.3

Consolidated Performance through the Third Quarter of FY2018.3

Year-on-Year Increases in Net Sales and Income

Through the third quarter of FY2018.3 (April 1 to December 31, 2017), net sales, including the impact of ¥14.2 billion in foreign currency fluctuations, rose ¥20.4 billion (+6.6%) year on year, to ¥328.7 billion.

Operating income increased ¥4.1 billion (+11.0%), to ¥41.5 billion, and ordinary income rose ¥4.0 billion (+10.7%), to ¥41.6 billion. Net income attributable to owners of the parent increased ¥12.5 billion (+33.7%), to ¥49.6 billion, as a result of the booking of gain on sales of investment securities (extraordinary income) in connection with the sale of a portion of the Company’s holdings of the shares of Yamaha Motor Co., Ltd., which was announced on November 28, 2017, and other factors.

Sales and Operating Income by Reportable Segment

Musical Instruments

Sales of ¥208.8 billion (+6.2%) and Operating Income of ¥28.1 billion (+2.9%)
Sales of acoustic pianos and digital pianos rose, as a result of double-digit growth in China and other factors. Portable keyboard sales expanded in Europe due to the introduction of new products. Sales continued to be strong for wind instruments due to favorable sales in Japan and North America. In addition, sales of guitars expanded in China and the rest of Asia.

Overall sales in the Musical Instruments segment, including the impact of ¥9.3 billion in foreign currency fluctuations, increased ¥12.3 billion (+6.2%) year on year, to ¥208.8 billion.

Operating income increased ¥0.8 billion (+2.9%), to ¥28.1 billion.

Audio Equipment

Sales of ¥92.3 billion (+8.6%) and Operating Income of ¥10.1 billion (+19.0%)
Audio equipment posted solid sales growth in all regions and professional audio equipment sales remained
strong in the emerging countries. Sales of ICT (information and communications technology) equipment expanded for voice communications devices.

Overall sales in this segment, including the impact of ¥4.7 billion in foreign currency fluctuations, rose ¥7.3 billion (+8.6%) year on year, to ¥92.3 billion.

Operating income rose ¥1.6 billion (+19.0%), to ¥10.1 billion.

**Others**

Sales of ¥27.7 billion (+3.1%) and Operating Income of ¥3.3 billion (+109.4%)

Sales were strong in the Others segment, with major gains in factory automation (FA) equipment and a favorable performance in the golf products businesses. As a result, overall sales in this segment expanded ¥0.8 billion (+3.1%), to ¥27.7 billion.

Operating income increased ¥1.7 billion (+109.4%), to ¥3.3 billion.

■ Outlook for Consolidated Performance in FY2018.3

Forecasts for the Full Fiscal Year Remain Unchanged, and the Outlook Is for Record-High Operating Income and Net Income

The Company’s previous forecasts announced on November 28 for consolidated performance for the full fiscal year ending March 31, 2018, remain unchanged and call for net sales of ¥432.0 billion (+5.8%), operating income of ¥50.0 billion (+12.9%), ordinary income of ¥50.0 billion (+11.3%), and net income attributable to owners of the parent of ¥57.0 billion (+22.0%). The forecasts for operating income of ¥50.0 billion and net income of ¥57.0 billion represent new record highs for these financial indicators.

Yamaha’s NEXT STAGE 12 Medium-Term Management Plan announced in April 2016 sets a management objective for the plan’s final year of FY2019.3 to achieve a 12% ratio of operating income to net sales. Management expects the ratio to rise to 11.6% in FY2018.3.

The Company’s assumptions regarding foreign exchange rates, which form the basis for these forecasts, have been revised from US$1=¥110 and €1=¥125, announced previously, to US$105 and €1=¥130.

Note: Figures less than ¥100 million for net sales and income in the text of this release have, in principle, been rounded to the nearest ¥100 million.

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### Third Quarter of FY2018.3 Performance Outline

**Currency Exchange Rate (Settlement Rate) (yen) (2)**

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### Net Income

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. 4Q Currency Exchange Rates US$=105JPY EUR=130 JPY (exchange contract rate for Q4 EUR1=132JPY)
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

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.