

For Immediate Release

August 1, 2018

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Code Number: 7951 (First Section of Tokyo Stock Exchange)

**Outline of the Yamaha Consolidated Financial Results for the First Quarter  
(Three Months) of the Fiscal Year Ending March 31, 2019 (FY2019.3)  
and Outlook for Consolidated Performance in FY2019.3**

■ **Consolidated Performance for the First Quarter of FY2019.3**

Year-on-Year Increases in Net Sales and Income

For the first quarter of FY2019.3 (April 1, 2018 to June 30, 2018), net sales rose ¥3.9 billion (+3.8%) year on year, to ¥105.1 billion, as a result of favorable sales in the musical instruments and other businesses.

Profit-wise, operating income increased ¥1.7 billion (+14.6%), to ¥13.3 billion, and ordinary income rose ¥2.3 billion (+20.6%), to ¥13.5 billion, while net income attributable to owners of the parent increased ¥0.1 billion (+0.6%), to ¥9.4 billion, in part because of higher tax expenses.

➤ **Sales and Operating Income by Reportable Segment**

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

**Musical Instruments**

Sales of ¥69.1 billion (+5.3%) and Operating Income of ¥10.2 billion (+23.5%)

Sales of acoustic pianos in China and North America remained robust. Sales of digital pianos expanded in all geographical regions except Japan, and sales of portable keyboards increased in all regions. Sales of wind instruments were favorable in North America and China, and sales of guitars rose significantly in North America, China, and in other emerging countries.

Overall sales in the Musical Instruments segment increased ¥3.5 billion (+5.3%), to ¥69.1 billion.

Operating income rose ¥1.9 billion (+23.5%), to ¥10.2 billion.

**Audio Equipment**

Sales of ¥26.2 billion (-1.2%) and Operating Income of ¥1.6 billion (-18.4%)

In the Audio Equipment business, growth in sales was lacking in all regions, but sales of professional audio equipment were robust in all regions except Europe.

Overall sales in this segment decreased ¥0.3 billion (-1.2%) year on year, to ¥26.2 billion.

Operating income declined ¥0.4 billion (-18.4%), to ¥1.6 billion.

## **Others**

Sales of ¥9.9 billion (+7.9%) and Operating Income of ¥1.5 billion (+7.9%)

Major gains were reported in sales of factory automation (FA) equipment and sales also increased in the automobile interior wood components business.

Sales of this segment increased ¥0.7 billion (+7.9%), to ¥9.9 billion.

Operating income rose ¥0.1 billion (+7.9%) billion, to ¥1.5 billion.

## **■ Outlook for Consolidated Performance in FY2019.3**

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

The Company's forecasts for consolidated performance for the full fiscal year ending March 31, 2019 remain unchanged from the figures released on May 1, 2018. Forecasts call for net sales of ¥442.0 billion (+2.1%), operating income of ¥55.0 billion (+12.6%), ordinary income of ¥55.0 billion (+11.7%), and net income attributable to owners of the parent of ¥40.0 billion (-26.4%). The forecast level of ¥55.0 billion for operating income will set a new record following the previous high of ¥48.8 billion reported for FY2018.3, and ordinary income will amount to ¥55.0 billion, thus setting a new record following the previous high of ¥51.0 billion reported in FY2004.3.

The Company's assumptions regarding foreign exchange rates, which form the basis for these forecasts, remain unchanged, with US\$1 at the ¥105 and €1 at the ¥125.

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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# First Quarter of FY2019.3 Performance Outline

YAMAHA CORPORATION

August 1, 2018

(billions of yen)

	1Q Results (Previous Year) FY2018.3	1Q Results FY2019.3	Results (Previous Year) FY2018.3	Projections <sup>(*5)</sup> (Full Year) FY2019.3
Net Sales	101.2	105.1	433.0	442.0
Sales in Japan	34.5 (34.0%)	33.3 (31.7%)	133.7 (30.9%)	136.2 (30.8%)
Overseas Sales	66.8 (66.0%)	71.8 (68.3%)	299.2 (69.1%)	305.7 (69.2%)
Operating Income	11.6 (11.4%)	13.3 (12.6%)	48.8 (11.3%)	55.0 (12.4%)
Ordinary Income	11.2 (11.1%)	13.5 (12.9%)	49.2 (11.4%)	55.0 (12.4%)
Net Income <sup>(*1)</sup>	9.3 (9.2%)	9.4 (8.9%)	54.4 (12.6%)	40.0 (9.0%)
Currency Exchange Rate (Settlement Rate) (=yen)	111/US\$ 121/EUR	108/US\$ 132/EUR	111/US\$ 126/EUR	105/US\$ 125/EUR
ROE <sup>(*2)</sup>	10.0%	9.8%	14.5%	10.0%
ROA <sup>(*3)</sup>	7.1%	6.9%	10.2%	7.1%
Earnings per Share	49.8yen	51.7yen	291.8yen	220.0yen
Capital Expenditures (Depreciation Expenses)	3.5 (2.7)	3.8 (2.7)	24.6 (10.8)	25.4 (11.6)
R&D Expenses	6.2	6.1	24.8	27.1
<b>Cash Flows</b>				
Operating Activities	1.9	-5.6	47.5	35.0
Investing Activities	-6.8	-4.3	4.8	-25.0
Total	-4.9	-10.0	52.3	10.0
Inventories at End of Period	100.1	99.3	94.1	91.0
<b>Number of Employees</b>				
Japan	6,013	5,898	5,845	5,900
Overseas	14,347	14,487	14,383	15,400
Total <sup>(*4)</sup>	20,360	20,385	20,228	21,300
<small>(Changes from the changes in the scope of consolidation)</small>	-	-	-	-
Temporary Staff <small>(average during the period)</small>	7,802	7,668	7,558	7,700
<b>Sales by Business Segment</b>				
Musical Instruments	65.6 (64.7%)	69.1 (65.7%)	274.5 (63.4%)	277.5 (62.8%)
Audio Equipment	26.5 (26.2%)	26.2 (24.9%)	121.8 (28.1%)	125.5 (28.4%)
Others	9.2 (9.1%)	9.9 (9.4%)	36.7 (8.5%)	39.0 (8.8%)
<b>Operating Income by Business Segment</b>				
Musical Instruments	8.3	10.2	34.6	39.5
Audio Equipment	1.9	1.6	10.7	12.0
Others	1.4	1.5	3.5	3.5

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

\* 2, 3 ROE and ROA are calculated on an annually adjusted basis.

\* 4 Number of employees = Number of full-time staff at end of period

\* 5 Full year projections remain unchanged from the previous announcement (on May, 2018)

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.