

For Immediate Release

November 1, 2018

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

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

■ **Consolidated Performance through the Second Quarter of FY2019.3**

Year-on-Year Increase in Net Sales and Double-Digit Rise in Income

Through the second quarter of FY2019.3 (April 1, 2018 to September 30, 2018), net sales rose ¥4.8 billion (+2.3%) year on year, to ¥214.6 billion, as a result of favorable sales in the musical instruments and other businesses.

Profit-wise, operating income increased ¥4.6 billion (+19.1%), to ¥28.5 billion, ordinary income rose ¥5.0 billion (+20.4%), to ¥29.8 billion, and net income attributable to owners of the parent increased ¥2.2 billion (+11.4%), to ¥21.9 billion.

➤ **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 ¥139.0 billion (+3.6%) and Operating Income of ¥21.6 billion (+29.9%)

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

Overall sales in this segment increased ¥4.8 billion (+3.6%), to ¥139.0 billion.

Operating income rose ¥5.0 billion (+29.9%), to ¥21.6 billion.

**Audio Equipment**

Sales of ¥56.5 billion (-1.8%) and Operating Income of ¥4.7 billion (-10.0%)

Within this segment, growth in sales of audio products was lacking in North America, Japan, and China, but sales of professional audio equipment were robust.

Overall sales in this segment decreased ¥1.1 billion (-1.8%) year on year, to ¥56.5 billion.

Operating income declined ¥0.5 billion (-10.0%), to ¥4.7 billion.

## Others

Sales of ¥19.1 billion (+5.9%) and Operating Income of ¥2.2 billion (+6.0%)

Performance of factory automation (FA) equipment and automobile interior wood components was favorable and sales increased.

Sales of this segment increased ¥1.1 billion (+5.9%), to ¥19.1 billion.

Operating income rose ¥0.1 billion (+6.0%) billion, to ¥2.2 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%). Both operating and ordinary income will be at record levels. The forecast of ¥55.0 billion for operating income will be a new high following the previous peak of ¥48.8 billion reported for FY2018.3, and ordinary income will amount to ¥55.0 billion, a new record following the previous high of ¥51.0 billion reported in FY2004.3.

Note that the foreign currency exchange rates used in computing these forecasts from the third quarter onward were unchanged from the previous forecasts of ¥105 to US\$1 and ¥125 to €1.

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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## 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.