

Second Quarter of FY2018.3 Performance Outline

YAMAHA CORPORATION

November 1, 2017

(Billions of yen)

	Six Months Results Ended Sept. 30, 2016	Six Months Results Ended Sept. 30, 2017	Results (Previous Year)	Projections (Full Year)	Previous Projections (Full Year) (announced on August 1, 2017)
	FY2017.3	FY2018.3	FY2017.3	FY2018.3	FY2018.3
Net Sales	199.2	209.8	408.2	432.0	432.0
Japan Sales	67.6 (33.9%)	66.7 (31.8%)	138.4 (33.9%)	137.7 (31.9%)	138.2 (32.0%)
Overseas Sales	131.6 (66.1%)	143.1 (68.2%)	269.8 (66.1%)	294.4 (68.1%)	293.8 (68.0%)
Operating Income	24.6 (12.4%)	23.9 (11.4%)	44.3 (10.9%)	50.0 (11.6%)	50.0 (11.6%)
Ordinary Income	24.5 (12.3%)	24.7 (11.8%)	44.9 (11.0%)	50.0 (11.6%)	50.0 (11.6%)
Net Income ^(*)	27.2 (13.7%)	19.6 (9.4%)	46.7 (11.4%)	39.0 (9.0%)	39.0 (9.0%)
Currency Exchange Rate (Settlement Rate) (=yen) ^(**)	107/US\$ 123/EUR	111/US\$ 122/EUR	108/US\$ 121/EUR	111/US\$ ^(***) 126/EUR	110/US\$ 123/EUR
ROE ^(***)	17.7%	10.2%	14.0%	10.0%	10.2%
ROA ^(***)	11.5%	7.0%	9.4%	7.0%	7.2%
Earnings per Share	145.1yen	104.8yen	249.2yen	208.0yen	208.1yen
Capital Expenditures (Depreciation Expenses)	6.3 (5.4)	11.2 (5.4)	17.5 (11.1)	26.3 (10.8)	25.9 (10.8)
R&D Expenses	11.9	12.2	24.4	25.7	26.3
Cash Flows					
Operating Activities	5.3	9.6	39.1	51.0	51.0
Investing Activities	-6.3	-11.7	-9.7	-27.0	-27.0
Free Cash Flow	-1.0	-2.1	29.4	24.0	24.0
Inventories at End of Period	94.5	103.9	93.1	92.7	92.1
Number of Employees					
Japan	6,149	5,952	5,937	5,900	5,900
Overseas	14,384	14,479	14,238	15,000	15,000
Total ^(***)	20,533	20,431	20,175	20,900	20,900
(Changes from the changes in the scope of consolidation)	(-124)	-	-	-	-
Temporary Staff (average during the period)	8,087	7,987	7,938	7,400	7,400
Sales by Business Segment					
Musical Instruments	128.5 (64.5%)	134.2 (64.0%)	257.7 (63.1%)	271.5 (62.9%)	271.5 (62.9%)
Audio Equipment	53.0 (26.6%)	57.6 (27.4%)	115.5 (28.3%)	124.5 (28.8%)	124.5 (28.8%)
Others	17.7 (8.9%)	18.1 (8.6%)	35.1 (8.6%)	36.0 (8.3%)	36.0 (8.3%)
Operating Income by					
Musical Instruments	18.8	16.6	32.1	35.5	35.5
Audio Equipment	4.8	5.2	10.4	12.0	12.0
Others	1.0	2.1	1.7	2.5	2.5

Non-Consolidated Basis

Net Sales	118.7	122.3	215.8
Operating Income	10.7 (9.1%)	15.6 (12.7%)	15.6 (7.2%)
Ordinary Income	18.5 (15.6%)	25.1 (20.5%)	26.6 (12.3%)
Net Income	23.4 (19.7%)	20.6 (16.8%)	34.0 (15.7%)

* 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\$=110JPY EUR=125JPY (exchange contract rate for: Q3 EUR1=130JPY, 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.