For Immediate Release

October 31, 2013

YAMAHA CORPORATION

Outline of the Consolidated Financial Results through the Second Quarter (Six Months) of the Fiscal Year Ending March 31, 2014 (FY2014.3) and Performance Outlook for the Full Fiscal Year

■ Consolidated Performance through the Second Quarter (Six Months)

Year-on-Year Increases in Net Sales and Operating Income

Consolidated net sales through the second quarter of FY2014.3 increased ¥20.8 billion, or 11.8% from the same period of the previous fiscal year for all the segments excluding others segment, to ¥197.7 billion, due to sales growth of ¥23.5 billion resulting from foreign currency fluctuations.

Consolidated operating income through the second quarter rose ¥6.9 billion, or 100.7% year on year, to ¥13.7 billion, thanks to a ¥6.7 billion increase due to foreign currency fluctuations.

Along with the increase in operating income, consolidated ordinary income rose ¥7.4 billion, or 120.6% over the same period of the previous fiscal year, to ¥13.5 billion, and net income through the second quarter rose ¥9.2 billion, or 273.4%, to ¥12.5 billion.

■ Sales and Operating Income (Loss) by Business Segment

Musical Instruments

Sales of ¥126.9 billion (+10.4%) and Operating Income of ¥9.6 billion (+102.2%)

Although piano sales in Japan were below the previous year, they remained brisk in North America. In addition, they increased thanks to positive foreign exchange impact. In the digital musical instrument business, sales of digital pianos increased, but portable keyboards showed a lackluster performance in Europe and emerging countries. In wind, string, & percussion instruments, wind instruments in North America and guitars in Japan, North America, and China remained robust. Revenues at music schools decreased slightly.

Compared with the same period of the previous fiscal year, sales of this segment as a whole rose ¥11.9 billion, or 10.4%, to ¥126.9 billion, following an increase of ¥15.4 billion due to foreign currency fluctuations.

Operating income increased ¥4.8 billion, or 102.2% year on year, to ¥9.6 billion, because foreign currency fluctuations boosted the income by ¥4.6 billion.

Audio Equipment

Sales of ¥48.7 billion (+17.3%) and Operating Income of ¥2.6 billion (+14.7%)

In the audio products business, sales expanded in Europe and emerging countries, and sales in North America also remained strong. Regarding professional audio equipment, sales in the commercial audio equipment market remained sluggish. Sales of network devices, such as routers and conference systems, increased in Japan, and commercial online karaoke equipment also increased thanks to expanded orders.

Compared with the same period of the previous fiscal year, sales of this segment as a whole were up ¥7.2 billion, or 17.3%, to ¥48.7 billion, due to an increase of ¥7.5 billion resulting from foreign currency fluctuations.

Operating income increased ¥0.3 billion, or 14.7% year on year, to ¥2.6 billion, due to an increase of ¥1.7 billion resulting from foreign currency fluctuations.

Electronic Devices

Sales of ¥10.1 billion (+28.5%) and Operating Income of ¥1.2 billion (compared with an operating loss of ¥0.9 billion in the same period of the previous fiscal year)

In the semiconductor business, the sales increased due to the higher sales of magnetic sensors (electronic compasses) and audio codecs thanks to the increase in demand of smartphones.

Compared with the same period of the previous fiscal year, sales for this segment as a whole increased ¥2.2 billion, or 28.5% year on year, to ¥10.1 billion.

The segment was able to post a ¥1.2 billion operating income, compared with an operating loss of ¥0.9 billion year on year by slashing fixed costs and other factors along with increased sales.

Others

Sales of ¥11.9 billion (-4.2%) and Operating Income of ¥0.3 billion (-58.5%)

Sales of automobile interior wood components through the second quarter declined because, in the first quarter of the previous fiscal year, great demand was generated due to model changes of our customers. Orders for factory automation (FA) equipment declined in Japan and sales decreased. In the golf products business, sales grew in South Korea and other overseas markets but struggled in Japan, resulting in a decrease. Sales of the resort business in Japan were almost the same level as the previous fiscal year.

As a consequence, sales of this segment as a whole dropped ¥0.5 billion, or 4.2%, to ¥11.9 billion.

Operating income decreased ¥0.4 billion, or 58.5% year on year, to ¥0.3 billion.

■ Consolidated Forecast for the Full Fiscal Year (FY2014.3)

Previous Forecast Revised Upward for Operating Income, Ordinary Income, and Net Income

The Company's previous forecast, announced on July 31, 2013, for consolidated performance for the full fiscal year ending March 31, 2014 called for net sales of ¥408.0 billion (+11.2% year on year), operating income of ¥20.0 billion (+117.0%), ordinary income of ¥18.5 billion (+115.6%), and net income of ¥16.5 billion (+300.3%).

The current outlook for consolidated net sales remains unchanged.

The Company has taken account of the estimated ¥1 billion adverse effect on operating income of the strike at the guitar manufacturing subsidiary in Indonesia. However, as a result of the expected rise in income due to a revision of the outlook for foreign currency exchange rates and other factors, income indicators have been revised upward. The current outlook is for operating income of ¥22.0 billion (+138.7%), ordinary income of ¥20.5 billion (+138.9%), and net income of ¥18.0 billion (+336.6%).

Also, please note that the outlook for net income takes account of business structural reform expenses of ¥0.75 billion, which have been accounted for as an extraordinary loss, in a musical instruments sales subsidiary in Japan.

Notes:

1. The assumed foreign exchange rates for the consolidated forecast have been revised only between the Japanese yen and the Euro from ¥125/EUR to ¥130/EUR (not revised for ¥95/USD).
2. Sales and income/loss figures in the text above have, in principle, been rounded to the nearest ¥0.1 billion. Figures in parentheses are changes from the same period of the previous fiscal year, except as indicated.
3. The name of the AV/IT business segment was changed to "audio equipment" business segment as of the first quarter of FY2014.3.
   In addition, the segment classification was reviewed, and "professional audio equipment" business was moved from the "musical instruments" segment to the "audio equipment" segment.
   Please note that the amount and percentage change on a year-on-year basis were calculated using the classification method after the change.

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Second Quarter of FY2014.3 Performance Outline

YAMAHA CORPORATION
October 31, 2013

(billions of yen)

	Six Months Initial Projections (announced on July 31, 2013) FY2014.3	Six Months Results Ended Sept. 30, 2013 FY2014.3	Six Months Results Ended Sept. 30, 2012 (Previous Year) FY2013.3	Initial Projections (Full Year) (announced on July 31, 2013) FY2014.3	Projections (Full Year) FY2014.3	Results (Previous Year) FY2013.3
Net Sales	196.5	197.7	176.8	408.0	408.0	366.9
Japan Sales	81.3 (41.4%)	82.3 (41.6%)	84.4 (47.8%)	165.8 (40.6%)	166.2 (40.7%)	165.8 (45.2%)
Overseas Sales	115.2 (58.6%)	115.4 (58.4%)	92.4 (52.2%)	242.2 (59.4%)	241.8 (59.3%)	201.2 (54.8%)
Operating Income	11.5 (5.9%)	13.7 (6.9%)	6.8 (3.9%)	20.0 (4.9%)	22.0 (5.4%)	9.2 (2.5%)
Ordinary Income	11.0 (5.6%)	13.5 (6.8%)	6.1 (3.5%)	18.5 (4.5%)	20.5 (5.0%)	8.6 (2.3%)
Net Income	10.0 (5.1%)	12.5 (6.3%)	3.3 (1.9%)	16.5 (4.0%)	18.0 (4.4%)	4.1 (1.1%)
Currency Exchange Rate (Settlement Rate) (=yen)	96/US$ 123/EUR	98/US$ 125/EUR	80/US$ 105/EUR	96/US$ 124/EUR	97/US$ (*5) 127/EUR	82/US$ 103/EUR
ROE (*1)	8.6%	10.6%	3.4%	7.0%	7.5%	1.9%
ROA (*2)	5.0%	6.1%	1.9%	4.2%	4.5%	1.1%
Earnings per Share	51.6 yen	64.6 yen	17.3 yen	85.2 yen	93.0 yen	21.3 yen
Capital Expenditure	7.6	4.9	5.8	14.8	12.0	13.8
(Depreciation)	(6.2)	6.0	(5.4)	(13.7)	(13.1)	(11.6)
R&D Expenditure	11.8	10.7	11.0	24.0	23.0	22.1
Cash Flows						
Operating Activities	3.7	4.3	-4.6	26.3	26.5	7.8
Investing Activities	-4.7	-2.5	-5.8	-11.8	-7.3	-12.6
Total	-1.0	1.8	-10.5	14.5	19.2	-4.9
Inventories at End of Period	89.2	90.5	83.7	79.4	80.3	82.0
Number of Employees						
Japan	7,100	6,991	7,538	7,000	6,900	7,143
Overseas	13,100	12,901	12,551	13,200	13,200	12,545
Total (*3)	20,200	19,892	20,089	20,200	20,100	19,688
(Changes from the changes in the scope of consolidation)	(50)	(46)	(169)	(55)	(50)	(173)
Temporary Staff (average during the period)	8,900	8,604	8,598	8,200	8,200	8,198
Sales by Business Segment						
Musical Instruments (*4)	126.5 (64.4%)	126.9 (64.2%)	115.0 (65.0%)	258.0 (63.2%)	258.5 (63.4%)	235.5 (64.2%)
Audio Equipment (*4)	48.5 (24.7%)	48.7 (24.7%)	41.5 (23.5%)	106.0 (26.0%)	105.0 (25.7%)	92.6 (25.2%)
Electronic Devices	9.5 (4.8%)	10.1 (5.1%)	7.9 (4.5%)	19.0 (4.7%)	20.0 (4.9%)	15.0 (4.1%)
Others	12.0 (6.1%)	11.9 (6.0%)	12.4 (7.0%)	25.0 (6.1%)	24.5 (6.0%)	23.8 (6.5%)
Operating Income by Business Segment						
Musical Instruments (*4)	7.5	9.6	4.7	14.0	16.0	6.4
Audio Equipment (*4)	3.0	2.6	2.3	5.5	5.0	4.6
Electronic Devices	0.5	1.2	-0.9	0	0.5	-2.0
Others	0.5	0.3	0.7	0.5	0.5	0.3

Non-Consolidated Basis

	FY2014.3 (Six Months Results)	FY2013.3 (Six Months Results)	FY2013.3 (Results)
Net Sales	119.7	124.7	231.4
Operating Income	7.0 (5.8%)	1.9 (1.5%)	-4.2 -
Ordinary Income	12.7 (10.6%)	5.7 (4.5%)	6.2 (2.7%)
Net Income	14.0 (11.7%)	4.8 (3.9%)	5.8 (2.5%)

＊1, 2 The ROE and ROA for the interim period are calculated on an annually adjusted basis.

＊3 Number of Employees = Number of full-time staff at end of the period

＊4 Effective in the first quarter of FY2014.3, AV/IT segment was renamed audio equipment segment, and the PA equipment business, which was previously reported as part of the musical instruments segment has now been reported as part of the audio equipment business. The above figures of FY2013.3 reflect the new segments accordingly.

＊5 2H Currency Exchange Rates US$=95JPY EUR=130JPY