For Immediate Release

April 30, 2014

YAMAHA CORPORATION

Outline of the Consolidated Financial Results for the Fiscal Year Ended March 31, 2014 (FY2014.3) and Outlook for Performance in the Fiscal Year Ending March 31, 2015 (FY2015.3)

■ Summary of Consolidated Performance in FY2014.3

Year-on-Year Increases in Net Sales and Income

Sales for FY2014.3 increased ¥43.4 billion (11.8%) from the previous fiscal year, to ¥410.3 billion, thanks to a ¥42.8 billion increase in sales due to foreign exchange fluctuations.

Operating income also increased, by ¥16.8 billion (182.1%) from the previous fiscal year, to ¥26.0 billion, thanks to a ¥13.7 billion increase caused by foreign exchange fluctuations. As a result of this increase in operating income, ordinary income increased ¥17.6 billion (204.7%), to ¥26.1 billion, and net income for the year increased ¥18.8 billion (455.5%), to ¥22.9 billion.

For your information, an extraordinary loss of ¥0.9 billion was reported for costs relating to the business structural reform in Japan that was announced on July 31, 2012. Furthermore, while operations at our Indonesian guitar manufacturing subsidiary resumed in January 2014 after the strike that occurred in September 2013, an extraordinary loss of ¥0.5 billion was reported as a loss on closure of operations due to the strike.

Additional deferred tax assets were also reported based on recent trends in our business results. As a result, ¥3.1 billion of income taxes—deferred was reported.

■ Sales and Operating Income by Business Segment

Musical Instruments

Sales of ¥262.3 billion (+ 11.4%) and operating income of ¥19.7 billion (+ 205.8%)

Piano sales were sluggish in Europe and emerging countries, but strong sales in North America and growth in demand in Japan before the increase in consumption tax resulted in an overall increase in sales. In terms of digital musical instruments, sales of digital pianos and portable keyboards increased. Sales of wind instruments were strong in Japan and North America. Our string and percussion instrument sales decreased on an actual basis, excluding foreign exchange fluctuations, due to the suspension of production caused by a strike at our Indonesian guitar manufacturing subsidiary. Sales for our music software and our lesson revenue decreased.

Overall sales for this segment amounted to ¥262.3 billion, an increase of ¥26.8 billion (11.4%) from the previous fiscal year, due to an increase of ¥27.7 billion resulting from foreign exchange fluctuations.

Operating income was ¥19.7 billion, an increase of ¥13.3 billion (205.8%) from the previous fiscal year, due to an increase of ¥9.8 billion resulting partly from foreign exchange fluctuations.

Audio Equipment

Sales of ¥105.5 billion (+ 14.0%) and operating income of ¥5.9 billion (+ 28.8%)

Sales of audio products were sluggish overall, and decreased in all regions on an actual basis excluding foreign exchange fluctuations. In terms of PA equipment, sales of audio equipment for commercial facilities continued to stagnate. In terms of network equipment, sales of commercial online karaoke equipment decreased from the previous fiscal year, but sales of routers and conference systems increased.

Overall sales for this segment amounted to ¥105.5 billion, an increase of ¥12.9 billion (14.0%) from the previous fiscal year, due to an increase of ¥14.0 billion resulting from foreign exchange fluctuations.

Operating income was ¥5.9 billion, an increase of ¥1.3 billion (28.8%) from the previous fiscal year, due to an increase of ¥3.4 billion resulting from foreign exchange fluctuations.

Electronic Devices

Sales of ¥18.8 billion (+ 25.2%) and operating income of ¥0.8 billion (compared with an operating loss of ¥2.0 billion in the previous fiscal year)

In terms of semiconductors, sales increased for magnetic sensors (electronic compasses) for smartphones and tablet PCs as well as audio processing codecs.

Overall sales for this segment amounted to ¥18.8 billion, an increase of ¥3.8 billion (25.2%) from the previous fiscal year.

This increase in sales and a reduction of fixed costs brought this business back into the black with an operating income of ¥0.8 billion (an operating loss of ¥2.0 billion in the previous fiscal year.)

Others

Sales of ¥23.7 billion (- 0.6%) and operating loss of ¥0.4 billion (compared with an operating income of ¥0.3 billion in the previous fiscal year)

Sales of automobile interior components for luxury European cars increased, but overall revenue for automobile interior components decreased. Order numbers for factory automation (FA) equipment failed to improve in Japan and China, leading to a decrease in sales. While our golf products business struggled in Japan, sales increased in such overseas countries as South Korea, leading to an overall increase in sales. Sales in our resort business were around the same as last year's.

Overall sales for this segment amounted to ¥23.7 billion, a decrease of ¥0.1 billion (0.6%) from the previous fiscal year.

There was an operating loss of ¥0.4 billion (compared with an operating income of ¥0.3 billion in the previous fiscal year).

■ Non-consolidated Performance in FY2014.3

Decrease in sales and increase in income from the previous fiscal year

Sales for Yamaha Corporation in FY2014.3 amounted to ¥223.7 billion, a decrease of 3.3% from the previous year.

In terms of profits, operating income was ¥8.1 billion (compared to an operating loss of ¥4.2 billion in the previous fiscal year), ordinary income was ¥15.5 billion (an increase of 148.9% from the previous fiscal year), and net income for the year was ¥17.7 billion (an increase of 204.7% from the previous fiscal year).

■ Consolidated Forecast for FY2015.3

Forecasting Increases in Net Sales and Income

While a ¥2.4 billion decrease in sales due to foreign exchange fluctuations is expected for FY2015.3, sales are expected to increase, mainly for such products as digital musical instruments, string and percussion instruments, PA equipment, and communications equipment and in such regions as North America and emerging countries, such as China. In terms of profits, a ¥1.9 billion increase in income due to foreign exchange fluctuations is expected in addition to that resulting from the increase in sales.

In terms of consolidated results for FY2015.3, net sales of ¥430 billion (a 4.8% increase from the previous fiscal year), operating income of ¥29 billion (an 11.6% increase from the previous fiscal year), ordinary income of ¥28 billion (an increase of 7.1% from the previous fiscal year), and net income of ¥21 billion (a decrease of 8.3% from the previous fiscal year) are projected.

■ **Outlook for Cash Dividends from Surplus**

In view of the outlook for consolidated performance released today, the Company has revised the outlook for the year-end dividend for the fiscal year upward, from the previously forecast ¥15.0 per share to ¥19.5 per share. As a result, the dividend for the full fiscal year has also been increased from the previously forecast ¥22.5 per share to ¥27.0 per share.

Notes:

1. 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 previous fiscal year, except as indicated.
2. 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 "PA 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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FY2014.3 Performance Outline

YAMAHA CORPORATION

April 30, 2014

(billions of yen)

	Results (Previous Year) FY2013.3	Projections (announced on Feb. 5, 2014) FY2014.3	Results FY2014.3	Projections (Full Year) FY2015.3	Projections (Interim Period) Apr. 1, 2014-Sept. 30, 2014 FY2015.3
Net Sales	366.9	408.0	410.3	430.0	206.5
Japan Sales	165.8 (45.2%)	166.5 (40.8%)	167.9 (40.9%)	167.3 (38.9%)	80.6 (39.0%)
Overseas Sales	201.2 (54.8%)	241.5 (59.2%)	242.4 (59.1%)	262.7 (61.1%)	125.9 (61.0%)
Operating Income	9.2 (2.5%)	22.0 (5.4%)	26.0 (6.3%)	29.0 (6.7%)	15.5 (7.5%)
Ordinary Income	8.6 (2.3%)	20.5 (5.0%)	26.1 (6.4%)	28.0 (6.5%)	15.0 (7.3%)
Net Income	4.1 (1.1%)	18.0 (4.4%)	22.9 (5.6%)	21.0 (4.9%)	11.0 (5.3%)
Currency Exchange Rate (Settlement Rate) (=yen)	82/US$ 103/EUR	99/US$ 128/EUR	100/US$ 129/EUR	100/US$ 135/EUR	100/US$ 135/EUR
ROE	1.9%	7.5%	9.2%	7.5%	8.0% (*1)
ROA	1.1%	4.4%	5.5%	4.7%	4.9% (*2)
Earnings per Share	21.3 yen	93.0 yen	118.3 yen	108.5 yen	56.8 yen
Capital Expenditure	13.8	11.3	10.8	13.8	8.5
(Depreciation)	(11.6)	(12.7)	(12.8)	(12.8)	(6.0)
R&D Expenditure	22.1	22.9	22.6	25.6	13.1
Cash Flows					
Operating Activities	7.8	28.8	33.2	33.5	2.0
Investing Activities	-12.6	-14.4	-23.0	-12.8	-7.6
Total	-4.9	14.4	10.3	20.7	-5.6
Inventories at End of Period	82.0	81.0	82.7	84.4	95.0
Number of Employees					
Japan	7,143	6,900	6,830	6,700	6,800
Overseas	12,545	13,200	13,021	13,600	13,700
Total (*3)	19,688	20,100	19,851	20,300	20,500
(Changes from the changes in the scope of consolidation)	(173)	(50)	(46)	(300)	(300)
Temporary Staff (average during the period)	8,198	7,700	7,863	7,500	7,700
Sales by Business Segment					
Musical Instruments (*4)	235.5 (64.2%)	258.5 (63.4%)	262.3 (63.9%)	273.0 (63.5%)	134.0 (64.9%)
Audio Equipment (*4)	92.6 (25.2%)	105.5 (25.8%)	105.5 (25.7%)	112.0 (26.1%)	51.0 (24.7%)
Electronic Devices	15.0 (4.1%)	20.0 (4.9%)	18.8 (4.6%)	19.0 (4.4%)	9.0 (4.4%)
Others	23.8 (6.5%)	24.0 (5.9%)	23.7 (5.8%)	26.0 (6.0%)	12.5 (6.0%)
Operating Income by Business Segment					
Musical Instruments (*4)	6.4	16.5	19.7	22.0	13.0
Audio Equipment (*4)	4.6	5.0	5.9	6.0	2.5
Electronic Devices	-2.0	0.5	0.8	0.5	0
Others	0.3	0	-0.4	0.5	0

Non-Consolidated Basis

	FY2013.3		FY2014.3
Net Sales	231.4		223.7
Operating Income	-4.2 -		8.1 (3.6%)
Ordinary Income	6.2 (2.7%)		15.5 (6.9%)
Net Income	5.8 (2.5%)		17.7 (7.9%)

＊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.

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.