

**Outline of the Consolidated Financial Results for the First Quarter
(Three Months) of the Fiscal Year Ending March 31, 2015 (FY2015.3) and
Outlook for Consolidated Performance for the Full Fiscal Year**

■ Consolidated Performance for the First Quarter (Three Months)

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

Consolidated net sales for the first quarter of FY2015.3 increased ¥2.6 billion, or 2.7% from the same period of the previous fiscal year, to ¥99.6 billion, due to factors including foreign currency fluctuation effects of ¥2.1 billion. By business segment, sales of musical instruments and audio equipment increased, while sales of electronic devices and others decreased.

Consolidated operating income for the first quarter rose ¥0.1 billion, or 1.1% year on year, to ¥6.2 billion. Consolidated ordinary income decreased ¥0.4 billion, or 6.9% over the same period of the previous fiscal year, to ¥5.9 billion, and net income for the quarter fell ¥1.7 billion, or 29.9%, to ¥4.1 billion. In the first quarter of FY2014.3, the Company recorded a gain on sale of investment securities, which did not recur.

➤ Sales and Operating Income (Loss) by Business Segment

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

Musical Instruments

Sales of ¥65.7 billion (+5.0%) and Operating Income of ¥5.8 billion (+30.8%)

Sales of pianos in North America and China were brisk, but the market in Japan and Europe was sluggish, thus, overall piano sales increased. In the digital musical instrument business, sales of digital pianos stayed strong, and Electone sales grew, with the first new product launch in 10 years. Sales of wind instruments in North America remained robust. However, growth in the number of new students at music schools remained sluggish.

Sales in this segment as a whole rose ¥3.1 billion over the previous fiscal year, or 5.0%, to ¥65.7 billion. Operating income increased ¥1.4 billion, or 30.8% year on year, to ¥5.8 billion.

Audio Equipment

Sales of ¥24.3 billion (+3.5%) and Operating Income of ¥0.6 billion (-28.7%)

In the audio products business, demand was sluggish in all regions, and sales fell. Sales of professional audio equipment increased in Europe, but were slow in Japan and emerging countries. In the ICT (information and communication technology) business, sales of routers and voice communications equipment increased.

Sales in this segment as a whole were up ¥0.8 billion, or 3.5%, over the previous fiscal year to ¥24.3 billion due to factors including effects from foreign currency fluctuations. Operating income fell ¥0.2 billion, or 28.7% year on year, to ¥0.6 billion.

Electronic Devices

Sales of ¥3.8 billion (-17.8%) and an Operating Loss of ¥0.2 billion (compared with operating income of ¥0.4 billion in the same period of the previous fiscal year)

In the semiconductor business, sales decreased due to the lower sales of magnetic sensors (electronic compasses) for smartphones and audio codecs.

Sales for this segment as a whole decreased ¥0.8 billion, or 17.8% year on year, to ¥3.8 billion. The segment posted an operating loss of ¥0.2 billion, compared with operating income of ¥0.4 billion in the previous year.

Others

Sales of ¥5.8 billion (-8.5%) and Operating Income of ¥40 million (-91.2%)

Sales of automobile interior wood components for the first quarter were flat compared with the same period of the previous year. Orders for factory automation (FA) equipment are recovering, but sales in China and other emerging markets declined. In the golf products business, sales grew as new products have performed well. Sales of the resort business in Japan decreased.

As a consequence, sales of this segment as a whole fell ¥0.5 billion, or 8.5%, to ¥5.8 billion, and operating income decreased ¥0.4 billion, or 91.2% year on year, to ¥40 million.

■ Outlook for Consolidated Performance for the Full Fiscal Year (FY2015.3)

No change to the forecast announced on April 30, 2014.

The Company's previous forecast, announced on April 30, 2014, for consolidated performance for the full fiscal year ending March 31, 2015 called for net sales of ¥430.0 billion (+4.8% year on year), operating income of ¥29.0 billion (+11.6%), ordinary income of ¥28.0 billion (+7.1%), and net income of ¥21.0 billion (-8.3%).

These forecasts remain unchanged.

The assumed foreign exchange rates for the consolidated forecast are ¥100/US\$ and ¥135/€.

Note: Sales and income/loss figures in the text above have, in principle, been rounded to the nearest ¥0.1 billion.

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First Quarter of FY2015.3 Performance Outline

YAMAHA CORPORATION

July 31, 2014

(billions of yen)

	1Q Projections	1Q Results	1Q Results	Initial Projections	Projections	Results
	(announced on April 30, 2014)		(Previous Year)	(Full Year)	(Full Year)	(Previous Year)
	FY2015.3	FY2015.3	FY2014.3	FY2015.3	FY2015.3	FY2014.3
Net Sales	100.5	99.6	97.0	430.0	430.0	410.3
Japan Sales	41.9 (41.7%)	41.1 (41.3%)	42.7 (44.0%)	167.3 (38.9%)	167.2 (38.9%)	167.9 (40.9%)
Overseas Sales	58.6 (58.3%)	58.5 (58.7%)	54.3 (56.0%)	262.7 (61.1%)	262.8 (61.1%)	242.4 (59.1%)
Operating Income	6.0 (6.0%)	6.2 (6.3%)	6.2 (6.4%)	29.0 (6.7%)	29.0 (6.7%)	26.0 (6.3%)
Ordinary Income	5.5 (5.5%)	5.9 (5.9%)	6.3 (6.5%)	28.0 (6.5%)	28.0 (6.5%)	26.1 (6.4%)
Net Income	4.0 (4.0%)	4.1 (4.1%)	5.8 (6.0%)	21.0 (4.9%)	21.0 (4.9%)	22.9 (5.6%)
Currency Exchange Rate (Settlement Rate) (=yen)	100/US\$ 135/EUR	102/US\$ 140/EUR	98/US\$ 121/EUR	100/US\$ 135/EUR	101/US\$ (*4) 136/EUR	100/US\$ 129/EUR
ROE (*1)	5.9%	6.0%	10.1%	7.5%	7.5%	9.2%
ROA (*2)	3.6%	3.7%	5.9%	4.7%	4.7%	5.5%
Earnings per Share	20.7 yen	21.1 yen	30.1 yen	108.5 yen	108.5 yen	118.3 yen
Capital Expenditures	3.7	3.2	2.1	13.8	13.6	10.8
(Depreciation Expenses)	(2.9)	(2.9)	(2.9)	(12.8)	(13.1)	(12.8)
R&D Expenses	6.7	5.9	5.7	25.6	25.3	22.6
Cash Flows						
Operating Activities	-1.1	3.7	-1.8	33.5	33.5	33.2
Investing Activities	-3.2	-3.2	-0.7	-12.8	-12.6	-23.0
Total	-4.3	0.5	-2.5	20.7	20.9	10.3
Inventories at End of Period	92.2	89.1	89.9	84.4	82.5	82.7
Number of Employees						
Japan	7,000	6,821	7,108	6,700	6,700	6,830
Overseas	13,600	13,223	12,759	13,600	13,600	13,021
Total (*3)	20,600	20,044	19,867	20,300	20,300	19,851
(Changes from the changes in the scope of consolidation)	(295)	(278)	(43)	(300)	(290)	(46)
Temporary Staff (average during the period)	7,400	7,804	8,329	7,500	7,200	7,863
Sales by Business Segment						
Musical Instruments	65.0 (64.7%)	65.7 (66.0%)	62.6 (64.5%)	273.0 (63.5%)	274.5 (63.8%)	262.3 (63.9%)
Audio Equipment	24.5 (24.4%)	24.3 (24.4%)	23.5 (24.2%)	112.0 (26.1%)	112.0 (26.1%)	105.5 (25.7%)
Electronic Devices	4.5 (4.5%)	3.8 (3.8%)	4.6 (4.8%)	19.0 (4.4%)	17.5 (4.1%)	18.8 (4.6%)
Others	6.5 (6.4%)	5.8 (5.8%)	6.3 (6.5%)	26.0 (6.0%)	26.0 (6.0%)	23.7 (5.8%)
Operating Income by Business Segment						
Musical Instruments	5.5	5.8	4.4	22.0	22.5	19.7
Audio Equipment	0.5	0.6	0.9	6.0	6.0	5.9
Electronic Devices	0	-0.2	0.4	0.5	0	0.8
Others	0	0	0.4	0.5	0.5	-0.4

Non-Consolidated Basis

Net Sales	64.6	58.7	223.7
Operating Income	3.9 (6.0%)	2.8 (4.8%)	8.1 (3.6%)
Ordinary Income	9.9 (15.3%)	8.2 (14.0%)	15.5 (6.9%)
Net Income	10.0 (15.5%)	8.9 (15.2%)	17.7 (7.9%)

* 1, 2 ROE and ROA are calculated on an annually adjusted basis.

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

* 4 2Q-4Q currency exchange rates US\$1=JPY100, EUR1=JPY135

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.