

**Outline of the Consolidated Financial Results through the Third Quarter  
(Nine Months) of the Fiscal Year Ending March 31, 2015 (FY2015.3),  
Outlook for Consolidated Performance for the Full Fiscal Year,  
and Revision of the Forecast for Dividends**

**■ Consolidated Performance through the Third Quarter (Nine Months)**

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

Consolidated net sales through the third quarter of FY2015.3 increased ¥14.6 billion, or 4.7% from the same period of the previous fiscal year, to ¥323.2 billion, due to factors that included foreign currency fluctuation effects. By business segment, sales of musical instruments and audio equipment increased, while sales of electronic devices and others decreased.

Consolidated operating income through the third quarter rose ¥2.9 billion, or 12.9% year on year, to ¥25.7 billion. Consolidated ordinary income rose ¥3.6 billion, or 16.2% over the same period of the previous fiscal year, to ¥26.0 billion, and net income through the third quarter increased ¥1.7 billion, or 8.7%, to ¥20.7 billion. Thus, gains were recorded in all indicators of income.

**➤ 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 ¥212.4 billion (+8.0%) and Operating Income of ¥22.0 billion (+38.3%)**

Sales of pianos in Japan were sluggish, but sales, mainly in North America and China, expanded, resulting in firm performance in overall piano sales. In the digital musical instruments business, sales of digital pianos showed robust expansion in all geographical areas, and Electone™ sales grew in Japan, with the first new product launch in 10 years. Sales of guitars were strong in all regions, and sales of wind instruments expanded, mainly in North America. However, growth in the number of new students at music schools continued to be sluggish.

Sales in this segment as a whole rose ¥15.7 billion or 8.0% year on year, to ¥212.4 billion. Operating income increased ¥6.1 billion, or 38.3% year on year, to ¥22.0 billion.

**Audio Equipment**

**Sales of ¥82.5 billion (+4.0%) and Operating Income of ¥4.7 billion (-12.1%)**

In the audio products business, sales were sluggish in all regions. In the professional audio equipment business, sales expanded in Europe due to the introduction of new products, and the installation of audio equipment in Japan also contributed to a sales increase in this business. Although sales rose in the ICT (information and communication technology) business, sales decreased in the commercial online karaoke equipment business.

Sales in this segment as a whole were up ¥3.2 billion, or 4.0%, year on year, to ¥82.5 billion. Operating income fell ¥0.6 billion, or 12.1% year on year, to ¥4.7 billion.

## **Electronic Devices**

Sales of ¥10.6 billion (-28.9%) and an Operating Loss of ¥1.2 billion (compared with operating income of ¥1.3 billion in the same period of the previous fiscal year)

In the semiconductor business, sales decreased primarily due to the lower sales of magnetic sensors (electronic compasses) for smartphones and sluggish sales of audio codec ICs amid more severe business environment.

Sales for this segment as a whole decreased ¥4.3 billion, or 28.9% year on year, to ¥10.6 billion. The segment posted an operating loss of ¥1.2 billion due to a decrease in sales, compared with operating income of ¥1.3 billion in the same period of the previous year.

## **Others**

Sales of ¥17.8 billion (-0.2%) and Operating Income of ¥0.3 billion (-9.8%)

Sales of automobile interior wood components increased. Orders for FA (factory automation) equipment are also recovering, and sales increased. On the other hand, sales in the golf products and resort businesses decreased.

As a consequence, sales of this segment as a whole were ¥17.8 billion, or about the same as in the same period of the previous year. Operating income was down 9.8%, or ¥31 million, year on year to ¥0.3 billion..

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

The forecasts for income have been revised upward.

The Company's forecasts, released on October 31, 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 ¥19.0 billion (-17.0%).

The forecast for net sales for the full fiscal year ending March 31, 2015 remains unchanged. However, the forecasts for income have been revised upward as follows: Operating income to ¥30.0 billion (+15.4% year on year), ordinary income to ¥30.0 billion (+14.7%), and net income to ¥21.0 billion (-8.3%).

The foreign exchange rates assumed in making the consolidated forecasts for the fourth quarter are ¥115 to US\$1 (¥105 in the previous forecast) and ¥140 to €1 (¥135 in the previous forecast).

## **■ Revision of the Forecast for Dividends**

Taking account of the forecast for consolidated performance announced today, the forecast for the year-end dividend has been revised from ¥13.5 to ¥16.5 per share. As a result, the forecast for the total dividend per share for the full fiscal year is hereby revised from ¥27 to ¥30 per share.

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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## Third Quarter of FY2015.3 Performance Outline

YAMAHA CORPORATION

February 4, 2015

(billions of yen)

	Three Months Results Ended Dec. 31, 2013	Three Months Results Ended Dec. 31, 2014	Nine Months Results Ended Dec. 31, 2013	Nine Months Results Ended Dec. 31, 2014	Results (Previous Year)	Projections (Full Year)	Previous Projections (Full Year) (announced on Oct. 31, 2014)
	FY2014.3	FY2015.3	FY2014.3	FY2015.3	FY2014.3	FY2015.3	FY2015.3
Net Sales	111.0	116.9	308.7	323.2	410.3	430.0	430.0
Japan Sales	41.0 (36.9%)	39.3 (33.6%)	123.2 (39.9%)	117.8 (36.5%)	167.9 (40.9%)	159.6 (37.1%)	164.8 (38.3%)
Overseas Sales	70.0 (63.1%)	77.6 (66.4%)	185.4 (60.1%)	205.4 (63.5%)	242.4 (59.1%)	270.4 (62.9%)	265.2 (61.7%)
Operating Income	9.1 (8.2%)	10.6 (9.1%)	22.8 (7.4%)	25.7 (8.0%)	26.0 (6.3%)	30.0 (7.0%)	29.0 (6.7%)
Ordinary Income	8.9 (8.0%)	10.9 (9.3%)	22.3 (7.2%)	26.0 (8.0%)	26.1 (6.4%)	30.0 (7.0%)	28.0 (6.5%)
Net Income	6.5 (5.9%)	9.9 (8.5%)	19.0 (6.2%)	20.7 (6.4%)	22.9 (5.6%)	21.0 (4.9%)	19.0 (4.4%)
Currency Exchange Rate (Settlement Rate) (=yen)	99/US\$ 131/EUR	112/US\$ 138/EUR	98/US\$ 127/EUR	105/US\$ 140/EUR	100/US\$ 129/EUR	108/US\$ <sup>(*)4</sup> 140/EUR	104/US\$ 138/EUR
ROE (*1)	10.2%	12.7%	10.3%	9.2%	9.2%	7.1%	6.6%
ROA (*2)	6.0%	7.9%	6.1%	5.8%	5.5%	4.5%	4.2%
Earnings per Share	33.8 yen	51.2 yen	98.3 yen	106.9 yen	118.3 yen	108.5 yen	98.1 yen
Capital Expenditure (Depreciation)	2.2 (3.3)	3.0 (3.3)	7.1 (9.3)	9.8 (9.2)	10.8 (12.8)	13.6 (12.7)	13.6 (12.6)
R&D Expenditure	5.7	6.4	16.5	18.5	22.6	25.5	25.3
<b>Cash Flows</b>							
Operating Activities	9.4	6.6	13.7	13.1	33.2	31.5	33.5
Investing Activities	-1.6	-2.1	-4.1	-9.2	-23.0	-12.5	-12.6
Total	7.8	4.5	9.6	3.9	10.3	19.0	20.9
Inventories at end of period	-	-	88.8	94.9	82.7	87.9	82.1
<b>Number of Employees</b>							
Japan	-	-	6,923	6,617	6,830	6,600	6,600
Overseas	-	-	12,936	13,417	13,021	13,500	13,500
Total (*3)	-	-	19,859	20,034	19,851	20,100	20,100
(Changes from the changes in the scope of consolidation)	-	-	(49)	(261)	(46)	(270)	(270)
Temporary Staff (average during the period)	-	-	8,395	7,565	7,863	7,700	7,700
<b>Sales by Business Segment</b>							
Musical Instruments	69.7 (62.8%)	76.3 (65.3%)	196.7 (63.7%)	212.4 (65.7%)	262.3 (63.9%)	281.0 (65.4%)	277.5 (64.5%)
Audio Equipment	30.6 (27.6%)	31.8 (27.2%)	79.4 (25.7%)	82.5 (25.5%)	105.5 (25.7%)	111.5 (25.9%)	112.0 (26.1%)
Electronic Devices	4.7 (4.2%)	3.0 (2.6%)	14.8 (4.8%)	10.6 (3.3%)	18.8 (4.6%)	13.5 (3.1%)	14.5 (3.4%)
Others	5.9 (5.4%)	5.7 (4.9%)	17.8 (5.8%)	17.8 (5.5%)	23.7 (5.8%)	24.0 (5.6%)	26.0 (6.0%)
<b>Operating Income by Business Segment</b>							
Musical Instruments	6.3	7.8	15.9	22.0	19.7	26.5	24.0
Audio Equipment	2.7	2.7	5.3	4.7	5.9	5.5	6.0
Electronic Devices	0.1	-0.3	1.3	-1.2	0.8	-2.0	-1.5
Others	0	0.4	0.3	0.3	-0.4	0	0.5

### Non-Consolidated Basis

Net Sales	54.3	55.0	173.9	180.8	223.7
Operating Income	2.6 (4.7%)	2.3 (4.2%)	9.5 (5.5%)	9.9 (5.5%)	8.1 (3.6%)
Ordinary Income	3.1 (5.7%)	3.4 (6.2%)	15.8 (9.1%)	17.9 (9.9%)	15.5 (6.9%)
Net Income	2.8 (5.2%)	4.0 (7.3%)	16.9 (9.7%)	17.8 (9.9%)	17.7 (7.9%)

\* 1, 2 The ROE and ROA for the 3Q are calculated on an annually adjusted basis.

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

\* 4 4Q Currency exchange rates US\$=115JPY EUR=140JPY

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.