

For Immediate Release

April 30, 2015

Company Name: YAMAHA CORPORATION

President and

Representative Director: Takuya Nakata

Code Number: 7951 (First Section of Tokyo Stock Exchange)

**Outline of the Consolidated Financial Results
for the Fiscal Year Ended March 31, 2015 (FY2015.3)
and Outlook for Performance in FY2016.3**

■ **Consolidated Performance in FY2015.3**

Year-on-Year Increases in Net Sales and Income

Consolidated net sales for FY2015.3 increased ¥21.9 billion, or 5.3%, over the previous fiscal year, to ¥432.2 billion. By business segment, sales of all segments, except for electronic devices, increased.

Accompanying the increase in sales, operating income for FY2015.3 rose ¥4.1 billion, or 15.9%, to ¥30.1 billion. Ordinary income increased ¥5.1 billion, or 19.4%, to ¥31.2 billion, and net income rose ¥2.0 billion, or 8.9%, to ¥24.9 billion. Therefore, gains were recorded in all indicators of income.

Note that the expenses incurred in connection with the transfer of the business of a semiconductor manufacturing subsidiary, which was announced on March 27, 2015, are recorded as an extraordinary loss, amounting to ¥1.6 billion.

➤ **Sales and Operating Income/Loss by Business Segment**

Musical Instruments

Sales of ¥281.7 billion (+7.4%) and Operating Income of ¥25.1 billion (+27.0%)

Sales of pianos in Japan were sluggish, in part because of the impact of the increase in the consumption tax, but sales in North America and China expanded, resulting in firm sales overall. Among digital musical instruments, sales of digital pianos rose in all geographical areas, and Electone™ sales grew in Japan, accompanying the first new product launch in 10 years. Sales of guitars in all regions and sales of wind instruments, mainly in North America, expanded. However, as a result of a decline in the number of students enrolled at music schools, sales in this business decreased.

Sales in this segment as a whole rose ¥19.4 billion, or 7.4%, to ¥281.7 billion. Operating income increased ¥5.3 billion, or 27.0%, to ¥25.1 billion.

Audio Equipment

Sales of ¥112.8 billion (+7.0%) and Operating Income of ¥6.1 billion (+4.6%)

In audio products, although signs of recovery emerged in North America, the business environment continued to be challenging, and sales declined. Sales of professional audio equipment were favorable in Europe because of the launching of new products, and the increase in the installation of audio equipment in Japan also contributed to sales performance. Sales of commercial online karaoke equipment were below the previous fiscal year, but sales of ICT (information and communication technology) equipment expanded.

Sales in this segment as a whole rose ¥7.4 billion, or 7.0%, to ¥112.8 billion. Operating income increased ¥0.3 billion, or 4.6%, to ¥6.1 billion.

Electronic Devices

Sales of ¥13.4 billion (–28.6%) and an Operating Loss of ¥1.4 billion (compared with operating income of ¥0.8 billion in the previous fiscal year)

In the semiconductor business, the operating environment did not improve. Sales were sluggish mainly in the magnetic sensors (electronic compasses) for smartphones and graphic controllers for amusement equipment.

Sales in this segment as a whole decreased ¥5.4 billion, or 28.6%, to ¥13.4 billion. Accompanying the decline in sales, the segment posted an operating loss of ¥1.4 billion, compared with operating income of ¥0.8 billion in the previous fiscal year.

Others

Sales of ¥24.2 billion (+2.3%) and Operating Income of ¥0.4 billion (compared with an operating loss of ¥0.4 billion in the previous year)

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

As a consequence, sales of this segment as a whole increased ¥0.6 billion, or 2.3%, to ¥24.2 billion. Operating income amounted to ¥0.4 billion, compared with an operating loss of ¥0.4 billion in the previous fiscal year.

■ **Non-Consolidated Performance in FY2015.3**

Increases in Net Sales and Income compared with the previous fiscal year

Sales of Yamaha on a non-consolidated basis in FY2015.3 increased to ¥233.7 billion, or 4.5%. Operating income amounted to ¥10.5 billion, a gain of 29.2%; ordinary income was ¥24.5 billion, 58.1% higher than in the prior year; and net income amounted to ¥25.3 billion, an increase of 42.9%.

■ **Consolidated Forecast for FY2016.3**

The forecast is for increases in Net Sales and Income

The Company's forecasts for FY2016.3 call for net sales of ¥435.0 billion (+0.7%), operating income of ¥34.0 billion (+12.8%), ordinary income of ¥33.0 billion (+5.7%), and net income of ¥25.5 billion (+2.3%).

These forecasts take account of a decline in sales of ¥12.4 billion, due to the transfer of the operations of music schools in Japan to the Yamaha Music Foundation, and the impact of foreign currency fluctuations.

Note that the foreign currency rates assumed for the forecasts are ¥120 per U.S. dollar and ¥130 per euro.

■ **Dividends from Retained Earnings**

In view of the financial results announced today, the Company has revised its previous forecast for the year-end dividend of FY2015.3, from ¥16.5 per share to ¥22.5 per share. Additionally, the outlook for dividends for the full fiscal year has been revised upward from ¥30.0 per share to ¥36.0 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 percentage changes from the same period of the previous fiscal year, except as indicated.
2. Accompanying revision of accounting regulations, including the Accounting Standards for Business Combinations, beginning in FY2016.3, the method of presentation of net income will be changed from "net income" to "net income attributable to owners of the parent company." Please note that "net income" in the "Consolidated Forecasts for FY2016.3" is presented in the same wording as in FY2015.3 and means "net income attributable to owners of the parent company."

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FY2015.3 Performance Outline

YAMAHA CORPORATION

April 30, 2015

(billions of yen)

	Results (Previous Year)	Projections (announced on Feb. 4, 2015)	Results	Projections (Full Year)
	FY2014.3	FY2015.3	FY2015.3	FY2016.3
Net Sales	410.3	430.0	432.2	435.0
Japan Sales	167.9 (40.9%)	159.6 (37.1%)	160.4 (37.1%)	147.1 (33.8%)
Overseas Sales	242.4 (59.1%)	270.4 (62.9%)	271.8 (62.9%)	287.9 (66.2%)
Operating Income	26.0 (6.3%)	30.0 (7.0%)	30.1 (7.0%)	34.0 (7.8%)
Ordinary Income	26.1 (6.4%)	30.0 (7.0%)	31.2 (7.2%)	33.0 (7.6%)
Net Income	22.9 (5.6%)	21.0 (4.9%)	24.9 (5.8%)	25.5 (5.9%)
Currency Exchange Rate (Settlement Rate) (=yen)	100/US\$ 129/EUR	108/US\$ 140/EUR	109/US\$ 141/EUR	120/US\$ 130/EUR
ROE	9.2%	7.1%	8.1%	7.2%
ROA	5.5%	4.5%	5.1%	4.8%
Earnings per Share	118.3 yen	108.5 yen	128.8 yen	131.7 yen
Capital Expenditure (Depreciation)	10.8 (12.8)	13.6 (12.7)	13.8 (12.6)	13.8 (13.7)
R&D Expenditure	22.6	25.5	25.4	24.8
Cash Flows				
Operating Activities	33.2	31.5	31.7	38.5
Investing Activities	-23.0	-12.5	-11.7	-14.0
Total	10.3	19.0	20.0	24.5
Inventories at End of Period	82.7	87.9	87.8	87.1
Number of Employees				
Japan	6,830	6,600	6,541	6,300
Overseas	13,021	13,500	13,426	14,400
Total ^(*)	19,851	20,100	19,967	20,700
	(46)	(270)	(257)	(25)
Temporary Staff (average during the period)	7,863	7,700	7,860	7,400
Sales by Business Segment				
Musical Instruments	262.3 (63.9%)	281.0 (65.4%)	281.7 (65.2%)	280.0 (64.4%)
Audio Equipment	105.5 (25.7%)	111.5 (25.9%)	112.8 (26.1%)	117.5 (27.0%)
Electronic Devices	18.8 (4.6%)	13.5 (3.1%)	13.4 (3.1%)	13.0 (3.0%)
Others	23.7 (5.8%)	24.0 (5.6%)	24.2 (5.6%)	24.5 (5.6%)
Operating Income by Business Segment				
Musical Instruments	19.7	26.5	25.1	26.5
Audio Equipment	5.9	5.5	6.1	6.5
Electronic Devices	0.8	-2.0	-1.4	0.5
Others	-0.4	0	0.4	0.5

Non-Consolidated Basis

Net Sales	223.7	233.7
Operating Income	8.1 (3.6%)	10.5 (4.5%)
Ordinary Income	15.5 (6.9%)	24.5 (10.5%)
Net Income	17.7 (7.9%)	25.3 (10.8%)

* 1 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.