**For Immediate Release**

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

# Outline of the Consolidated Financial Results for the First Quarter (Three Months) of the Fiscal Year Ending March 31, 2016 (FY2016.3) and Outlook for Consolidated Performance for the Full Fiscal Year

## ■ Consolidated Performance for the First Quarter (Three Months)

Year-on-Year Increase in Sales and Major Improvement in Income

Consolidated net sales for the first quarter of FY2016.3 increased ¥5.9 billion, or 6.0% from the same period of the previous year, to ¥105.5 billion. By business segment, although sales of electronic devices decreased, sales of the musical instruments, audio equipment, and other segments increased.

Consolidated operating income for the first quarter rose ¥2.6 billion, or 42.0%, to ¥8.9 billion. Ordinary income increased ¥2.6 billion, or 44.5%, to ¥8.5 billion, and net income attributable to owners of the parent increased ¥2.2 billion, 53.3%, to ¥6.3 billion, thus showing major gains in all income figures.

## ➢ 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 ¥70.8 billion (+7.8%) and Operating Income of ¥7.1 billion (+21.7%)

Although sales of pianos in Japan continued to be sluggish, overall piano sales held firm. Among digital musical instruments, Electone™ sales decreased year on year because of the strong favorable sales in the previous year after the launching of a new model in Japan. However, sales of digital pianos in Japan, Europe, and China were favorable, resulting in a rise in sales for this business. Sales of wind instruments expanded, mainly in North America, and sales of guitars increased, principally in Europe.

Sales in this segment as a whole rose ¥5.1 billion, or 7.8%, to ¥70.8 billion. Operating income increased ¥1.3 billion, or 21.7%, to ¥7.1 billion.

### Audio Equipment

Sales of ¥24.7 billion (+1.8%) and Operating Income of ¥1.0 billion (+61.4%)

In the audio products business, sales were almost at planned levels, but were below the levels of the same period of the previous year. Sales in the professional audio equipment business showed expansion in all areas, resulting in a double-digit growth. Although sales of commercial online karaoke equipment decreased, within the ICT (information and communication technology) equipment business, sales of routers and voice communication devices held firm.

Sales in this segment as a whole were up ¥0.4 billion, or 1.8%, to ¥24.7 billion. Operating income expanded ¥0.4 billion, or 61.4%, to ¥1.0 billion.

### Electronic Devices

Sales of ¥3.5 billion (–8.5%) and Operating Income of ¥0.4 billion (compared with an operating loss of ¥0.2 billion in the same period of the previous fiscal year)

In the semiconductor business, although sales of digital amplifiers for mobile devices were weak, sales of LSIs for amusement equipment expanded.

Sales for this segment as a whole decreased ¥0.3 billion, or 8.5%, to ¥3.5 billion. Operating income amounted to ¥0.4 billion (compared with an operating loss of ¥0.2 billion in the same period of the previous fiscal year).

### Others

Sales of ¥6.5 billion (+12.7%) and Operating Income of ¥0.4 billion (compared with operating income of ¥40 million in the same period of the previous year)

Although sales in the automobile interior wood components, golf products, and resort businesses decreased slightly, shipments of FA equipment increased substantially and sales of this business expanded.

As a consequence, sales of this segment rose ¥0.7 billion, or 12.7%, to ¥6.5 billion. Operating income was ¥0.4 billion (compared with operating income of ¥40 million in the same period of the previous year).

## ■ Outlook for Consolidated Performance for the Full Fiscal Year (FY2016.3)

The previous forecasts have been revised upward.

The Company's original forecasts for consolidated performance for the full fiscal year ending March 31, 2016, released on April 30, 2015, called 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 attributable to owners of the parent of ¥25.5 billion (+2.3%).

The revised consolidated outlook forecasts net sales of ¥437.0 billion (+1.1%), operating income of ¥35.0 billion (+16.1%), ordinary income of ¥35.0 billion (+12.1%), and net income attributable to owners of the parent of ¥27.0 billion (+8.3%).

The foreign exchange rates assumed in making the consolidated forecast for the full fiscal year are ¥120 to US$1 and ¥130 to €1.

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 FY2016.3 Performance Outline

YAMAHA CORPORATION
July 30, 2015

(billions of yen)

| | 1Q Results FY2016.3 | 1Q Results (Previous Year) FY2015.3 | Initial Projections (Full Year) (announced on April 30, 2015) FY2016.3 | Projections (Full Year) FY2016.3 | Results (Previous Year) FY2015.3 |
|---|---|---|---|---|---|
| Net Sales | 105.5 | 99.6 | 435.0 | 437.0 | 432.2 |
| Japan Sales | 39.2 (37.2%) | 41.1 (41.3%) | 147.1 (33.8%) | 146.2 (33.5%) | 160.4 (37.1%) |
| Overseas Sales | 66.3 (62.8%) | 58.5 (58.7%) | 287.9 (66.2%) | 290.8 (66.5%) | 271.8 (62.9%) |
| Operating Income | 8.9 (8.4%) | 6.2 (6.3%) | 34.0 (7.8%) | 35.0 (8.0%) | 30.1 (7.0%) |
| Ordinary Income | 8.5 (8.0%) | 5.9 (5.9%) | 33.0 (7.6%) | 35.0 (8.0%) | 31.2 (7.2%) |
| Net Income (*1) | 6.3 (5.9%) | 4.1 (4.1%) | 25.5 (5.9%) | 27.0 (6.2%) | 24.9 (5.8%) |
| Currency Exchange Rate (Settlement Rate) (=yen) | 121/US\$ 133/EUR | 102/US\$ 140/EUR | 120/US\$ 130/EUR | 120/US\$ (*5) 131/EUR | 109/US\$ 141/EUR |
| ROE (*2) | 7.2% | 6.0% | 7.2% | 7.7% | 8.1% |
| ROA (*3) | 4.7% | 3.7% | 4.8% | 5.1% | 5.1% |
| Earnings per Share | 32.3 yen | 21.1 yen | 131.7 yen | 139.5 yen | 128.8 yen |
| Capital Expenditures | 2.6 | 3.2 | 13.8 | 13.8 | 13.8 |
| (Depreciation Expenses) | (3.0) | (2.9) | (13.7) | (13.6) | (12.6) |
| R&D Expenses | 6.0 | 5.9 | 24.8 | 25.1 | 25.4 |
| **Cash Flows** | | | | | |
| Operating Activities | 6.8 | 3.7 | 38.5 | 38.0 | 31.7 |
| Investing Activities | -5.0 | -3.2 | -14.0 | -13.5 | -11.7 |
| Total | 1.8 | 0.5 | 24.5 | 24.5 | 20.0 |
| Inventories at End of Period | 97.4 | 89.1 | 87.1 | 90.1 | 87.8 |
| **Number of Employees** | | | | | |
| Japan | 6,595 | 6,821 | 6,300 | 6,300 | 6,541 |
| Overseas | 13,662 | 13,223 | 14,400 | 14,100 | 13,426 |
| Total (*4) | 20,257 | 20,044 | 20,700 | 20,400 | 19,967 |
| (Changes from the changes in the scope of consolidation) | (21) | (278) | (25) | (25) | (257) |
| Temporary Staff (average during the period) | 7,970 | 7,804 | 7,400 | 7,600 | 7,860 |
| **Sales by Business Segment** | | | | | |
| Musical Instruments | 70.8 (67.1%) | 65.7 (66.0%) | 280.0 (64.4%) | 281.5 (64.4%) | 281.7 (65.2%) |
| Audio Equipment | 24.7 (23.4%) | 24.3 (24.4%) | 117.5 (27.0%) | 118.0 (27.0%) | 112.8 (26.1%) |
| Electronic Devices | 3.5 (3.3%) | 3.8 (3.8%) | 13.0 (3.0%) | 13.0 (3.0%) | 13.4 (3.1%) |
| Others | 6.5 (6.2%) | 5.8 (5.8%) | 24.5 (5.6%) | 24.5 (5.6%) | 24.2 (5.6%) |
| **Operating Income by Business Segment** | | | | | |
| Musical Instruments | 7.1 | 5.8 | 26.5 | 27.5 | 25.1 |
| Audio Equipment | 1.0 | 0.6 | 6.5 | 6.5 | 6.1 |
| Electronic Devices | 0.4 | -0.2 | 0.5 | 0.5 | -1.4 |
| Others | 0.4 | 0 | 0.5 | 0.5 | 0.4 |

**Non-Consolidated Basis**

| | 1Q Results FY2016.3 | 1Q Results (Previous Year) FY2015.3 | Results (Previous Year) FY2015.3 |
|---|---|---|---|
| Net Sales | 58.5 | 64.6 | 233.7 |
| Operating Income | 3.9 (6.7%) | 3.9 (6.0%) | 10.5 (4.5%) |
| Ordinary Income | 14.4 (24.6%) | 9.9 (15.3%) | 24.5 (10.5%) |
| Net Income | 13.0 (22.2%) | 10.0 (15.5%) | 25.3 (10.8%) |

＊1 Net income is presented as net income attributable to owners of parent on the consolidate financial statements.

＊2, 3 ROE and ROA are calculated on an annually adjusted basis.

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

＊5 2Q-4Q currency exchange rates US\$1=JPY120, EUR1=JPY130

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.