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President and Representative Director: Takuya Nakata
Code Number: 7951 (First Section of Tokyo Stock Exchange)

**Outline of the Consolidated Financial Results through the Second Quarter
(Six Months) of the Fiscal Year Ending March 31, 2016 (FY2016.3)
and Outlook for Consolidated Performance for the Full Fiscal Year**

■ **Consolidated Performance through the Second Quarter (Six Months)**

Year-on-Year Increases in Interim Sales and Operating Income for the Fourth Consecutive Period

Consolidated net sales through the second quarter of FY2016.3 increased ¥11.1 billion, or 5.4% from the same period of the previous year, to ¥217.5 billion. By business segment, all segments, with the exception of others, reported increases in sales.

Consolidated operating income through the second quarter rose ¥6.1 billion year on year, or 40.8%, to ¥21.2 billion. Ordinary income increased ¥7.2 billion, or 47.7%, to ¥22.2 billion, and net income attributable to owners of the parent increased ¥6.6 billion, or 61.4%, to ¥17.4 billion, thus showing major gains in all income figures.

Note that the increase for the interim period was the fourth consecutive rise in sales and operating 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 ¥143.2 billion (+5.2%) and Operating Income of ¥16.7 billion (+18.6%)

Sales of acoustic pianos held firm, and expanded particularly in China. Among digital musical instruments, Electone™ sales decreased year on year because of the strong sales in the same period of the previous year after the launching of new models in Japan. However, sales of digital pianos expanded in all regions, leading to an overall rise in sales of digital musical instruments. Sales of wind instruments expanded in all regions, especially in North America and Japan. Sales of guitars increased, mainly in Europe and China.

Sales in this segment as a whole rose ¥7.1 billion or 5.2%, to ¥143.2 billion because of the favorable sales of musical instruments, despite a ¥4.2 billion decrease in sales accompanying the transfer of Yamaha's music school business in Japan in the second quarter to Yamaha Music Foundation (a general incorporated foundation). Operating income increased ¥2.6 billion, or 18.6%, to ¥16.7 billion.

Audio Equipment

Sales of ¥54.5 billion (+7.3%) and Operating Income of ¥3.5 billion (+79.0%)

In the audio products business, although sales were weak in the first quarter, they expanded in the second quarter and recovered the level of the previous fiscal year. Sales in the professional audio equipment business continued to be strong, thus maintaining 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 ¥3.7 billion, or 7.3%, to ¥54.5 billion. Operating income expanded ¥1.5 billion, or 79.0%, to ¥3.5 billion.

Electronic Devices

Sales of ¥7.9 billion (+5.5%) and Operating Income of ¥0.7 billion (compared with an operating loss of ¥0.9 billion in the same period of the previous 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 increased ¥0.4 billion, or 5.5%, to ¥7.9 billion. Operating income moved into the black and amounted to ¥0.7 billion (compared with an operating loss of ¥0.9 billion in the same period of the previous year).

Others

Sales of ¥11.9 billion (-1.1%) and Operating Income of ¥0.3 billion (compared with an operating loss of ¥0.1 billion in the same period of the previous year)

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

As a consequence, sales of this segment as a whole declined ¥0.1 billion, or 1.1%, to ¥11.9 billion. Operating income returned to the black and amounted to ¥0.3 billion (compared with an operating loss of ¥0.1 billion in the same period of the previous year).

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

The forecast for net sales remains unchanged but forecasts for income have been revised upward.

The Company's forecasts for consolidated performance for the full fiscal year ending March 31, 2016, released on July 30, 2015, called for 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%).

In the revised consolidated outlook, the forecast for net sales remains unchanged, but forecasts for profitability have been revised upward. The current forecasts call for operating income of ¥37.0 billion (+22.8%), ordinary income of ¥37.5 billion (+20.1%), and net income attributable to owners of the parent of ¥29.0 billion (+16.3%).

Note that these forecasts take account of a ¥12.4 billion decline in sales accompanying the transfer of the operations of the music school business in Japan.

The foreign exchange rates assumed from the third quarter onward are ¥120 to US\$1 and ¥130 to €1 (both unchanged from the previous forecasts).

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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Second Quarter of FY2016.3 Performance Outline

YAMAHA CORPORATION

October 30, 2015

(billions of yen)

	Six Months Results Ended Sept. 30, 2014	Six Months Results Ended Sept. 30, 2015	Results (Previous Year)	Projections (Full Year)	Initial Projections (Full Year) (announced on July 30, 2015)
	FY2015.3	FY2016.3	FY2015.3	FY2016.3	FY2016.3
Net Sales	206.4	217.5	432.2	437.0	437.0
Japan Sales	78.5 (38.0%)	73.1 (33.6%)	160.4 (37.1%)	144.9 (33.2%)	146.2 (33.5%)
Overseas Sales	127.9 (62.0%)	144.3 (66.4%)	271.8 (62.9%)	292.1 (66.8%)	290.8 (66.5%)
Operating Income	15.1 (7.3%)	21.2 (9.8%)	30.1 (7.0%)	37.0 (8.5%)	35.0 (8.0%)
Ordinary Income	15.1 (7.3%)	22.2 (10.2%)	31.2 (7.2%)	37.5 (8.6%)	35.0 (8.0%)
Net Income ^(*)	10.8 (5.2%)	17.4 (8.0%)	24.9 (5.8%)	29.0 (6.6%)	27.0 (6.2%)
Currency Exchange Rate (Settlement Rate) (=yen)	103/US\$ 140/EUR	122/US\$ 134/EUR	109/US\$ 141/EUR	121/US\$ ^(*) 132/EUR	120/US\$ 131/EUR
ROE ^(*)	7.6%	10.2%	8.1%	8.3%	7.7%
ROA ^(*)	4.6%	6.6%	5.1%	5.5%	5.1%
Earnings per Share	55.7 yen	89.9 yen	128.8 yen	149.8 yen	139.5 yen
Capital Expenditures	6.7	4.8	13.8	13.8	13.8
(Depreciation Expenses)	(5.9)	(6.1)	(12.6)	(12.9)	(13.6)
R&D Expenses	12.1	12.2	25.4	25.5	25.1
Cash Flows					
Operating Activities	6.5	8.2	31.7	39.5	38.0
Investing Activities	-7.1	-5.9	-11.7	-12.0	-13.5
Total	-0.6	2.3	20.0	27.5	24.5
Inventories at End of Period	94.7	99.3	87.8	90.3	90.1
Number of Employees					
Japan	6,719	6,480	6,541	6,200	6,300
Overseas	13,438	13,822	13,426	14,300	14,100
Total ^(*) (Changes from the changes in the scope of consolidation)	20,157 (266)	20,302 (23)	19,967 (257)	20,500 (-100)	20,400 (-100)
Temporary Staff (average during the period)	7,772	8,227	7,860	7,700	7,600
Sales by Business Segment					
Musical Instruments	136.1 (65.9%)	143.2 (65.8%)	281.7 (65.2%)	281.5 (64.4%)	281.5 (64.4%)
Audio Equipment	50.8 (24.6%)	54.5 (25.0%)	112.8 (26.1%)	118.5 (27.1%)	118.0 (27.0%)
Electronic Devices	7.5 (3.7%)	7.9 (3.7%)	13.4 (3.1%)	13.0 (3.0%)	13.0 (3.0%)
Others	12.0 (5.8%)	11.9 (5.5%)	24.2 (5.6%)	24.0 (5.5%)	24.5 (5.6%)
Operating Income by Business Segment					
Musical Instruments	14.1	16.7	25.1	28.5	27.5
Audio Equipment	2.0	3.5	6.1	7.5	6.5
Electronic Devices	-0.9	0.7	-1.4	0.5	0.5
Others	-0.1	0.3	0.4	0.5	0.5

Non-Consolidated Basis

Net Sales	125.8	123.0	233.7
Operating Income	7.6 (6.0%)	8.8 (7.2%)	10.5 (4.5%)
Ordinary Income	14.5 (11.5%)	20.4 (16.6%)	24.5 (10.5%)
Net Income	13.8 (10.9%)	18.9 (15.4%)	25.3 (10.8%)

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

* 2, 3 The ROE and ROA for the interim period are calculated on an annually adjusted basis.

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

* 5 2H Currency Exchange Rates US\$=120JPY EUR=130JPY

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.