

Company Name: YAMAHA CORPORATION  
President and Representative Executive Officer: Takuya Nakata  
Code Number: 7951 (First Section of Tokyo Stock Exchange)

**Outline of the Yamaha Consolidated Financial Results  
for the Fiscal Year Ended March 31, 2018 (FY2018.3)  
and Outlook for Consolidated Performance in FY2019.3**

■ **Consolidated Performance in FY2018.3**

**Sixth Consecutive Year-on-Year Increase in Income, Income at Record High**

As a result of robust sales in all business divisions, consolidated net sales in FY2018.3 increased ¥24.7 billion, or 6.1%, over the previous fiscal year, to ¥433.0 billion.

In terms of profits, the Group reported operating income of ¥48.8 billion, an increase of ¥4.5 billion, or 10.2%, from the previous fiscal year; ordinary income of ¥49.2 billion, an increase of ¥4.3 billion, or 9.6%, from the previous fiscal year; and net income attributable to owners of the parent of ¥54.4 billion, an increase of ¥7.7 billion, or 16.4%, from the previous fiscal year. Yamaha, therefore, reported increases in all indicators of income for the sixth consecutive fiscal year, and operating income as well as net income attributable to owners of the parent were at the highest levels in Yamaha's history.

➤ **Sales and Operating Income by Reportable Segment**

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

**Musical Instruments**

**Sales of ¥274.5 billion (+6.5%) and Operating Income of ¥34.6 billion (+7.8%)**

Sales of acoustic pianos expanded, led by favorable performance in China as a whole. Sales of digital pianos expanded, driven by favorable sales of new products. In the portable keyboard business, sales of high-priced models in Europe were strong, and sales of mass market priced products in emerging countries were also brisk. Sales of wind instruments in North America were strong, and sales of guitars expanded in China and emerging countries.

Sales of this segment amounted to ¥274.5 billion, an increase of ¥16.8 billion, or 6.5%, year on year.

Operating income was ¥34.6 billion, an increase of ¥2.5 billion, or 7.8%, year on year.

➤ **Audio Equipment**

**Sales of ¥121.8 billion (+5.5%) and Operating Income of ¥10.7 billion (+2.6%)**

In audio products, sales in North America and Europe held firm, and sales in the professional audio equipment business in Europe and the emerging countries expanded. In the information and communications technology (ICT) equipment business, sales of voice communications equipment in Japan were favorable.

Sales of this segment amounted to ¥121.8 billion, an increase of ¥6.3 billion, or 5.5%, year on year.

Operating income was ¥10.7 billion, an increase of ¥0.3 billion, or 2.6%, year on year.

➤ **Others**

Sales of ¥36.7 billion (+4.5%) and Operating Income of ¥3.5 billion (+102.4%)

Sales in the factory automation (FA) equipment business showed major expansion, and sales in Japan and to North America in the automobile interior wood components business increased.

Sales of this segment amounted to ¥36.7 billion, an increase of ¥1.6 billion, or 4.5%, year on year.

Operating income was ¥3.5 billion, an increase of ¥1.8 billion, or 102.4%, year on year.

■ **Non-consolidated Performance in FY2018.3**

Increases in Net Sales and Income

On a non-consolidated basis, sales for FY2018.3 amounted to ¥231.1 billion (+7.1%), operating income was ¥26.0 billion (+66.5%), ordinary income amounted to ¥36.7 billion (+38.2%), and net income amounted to ¥47.5 billion (+39.9%).

■ **Outlook for Consolidated Performance in FY2019.3**

Operating Income to Rise to a New Historical High

The Company's forecasts for consolidated performance for the full fiscal year ending March 31, 2019 call for net sales of ¥442.0 billion (+2.1%), operating income of ¥55.0 billion (+12.6%), ordinary income of ¥55.0 billion (+11.7%), and net income attributable to owners of the parent of ¥40.0 billion (-26.4%). The forecast level of ¥55.0 billion for operating income will set a new record following the previous high of ¥48.8 billion reported for FY2018.3.

Note that the foreign currency exchange rates used in computing these forecasts were ¥105 to US\$1 and ¥125 to €1.

Note: Figures less than ¥100 million for net sales and income in the text of this release have, in principle, been rounded to the nearest ¥100 million.

For further information, please contact:

Yamaha Corporation

Corporate Communications Division, Corporate PR Group

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# FY2018.3 Performance Outline

YAMAHA CORPORATION

May 1, 2018

(billions of yen)

	Results (Previous Year)	Projections (Announced on Feb. 5, 2018)	Results	Projections (Full Year)
	FY2017.3	FY2018.3	FY2018.3	FY2019.3
Net Sales	408.2	432.0	433.0	442.0
Japan Sales	138.4 (33.9%)	135.1 (31.3%)	133.7 (30.9%)	136.2 (30.8%)
Overseas Sales	269.8 (66.1%)	296.9 (68.7%)	299.2 (69.1%)	305.7 (69.2%)
Operating Income	44.3 (10.9%)	50.0 (11.6%)	48.8 (11.3%)	55.0 (12.4%)
Ordinary Income	44.9 (11.0%)	50.0 (11.6%)	49.2 (11.4%)	55.0 (12.4%)
Net Income <sup>(*)</sup>	46.7 (11.4%)	57.0 (13.2%)	54.4 (12.6%)	40.0 (9.0%)
Currency Exchange Rate (Settlement Rate) (=yen)	108/US\$ 121/EUR	110/US\$ 126/EUR	111/US\$ 126/EUR	105/US\$ 125/EUR
ROE <sup>(*)</sup>	14.0%	14.8%	14.5%	10.0%
ROA <sup>(*)</sup>	9.4%	10.3%	10.0%	7.1%
Earnings per Share	249.2yen	305.8yen	291.8yen	220.0yen
Capital Expenditure	17.5	25.3	24.6	25.4
(Depreciation Expenses)	(11.1)	(10.7)	(10.8)	(11.6)
R&D Expenses	24.4	25.2	24.8	27.1
<b>Cash Flows</b>				
Operating Activities	39.1	51.0	47.5	35.0
Investing Activities	-9.7	3.0	4.8	-25.0
Free Cash Flow	29.4	54.0	52.3	10.0
Inventories at End of Period	93.1	96.9	94.1	91.0
<b>Number of Employees</b>				
Japan	5,937	5,900	5,845	5,900
Overseas	14,238	14,800	14,383	15,400
Total <sup>(*)</sup>	20,175	20,700	20,228	21,300
<small>(Changes from the changes in the scope of consolidation)</small>	-	-	-	-
Temporary Staff <small>(Average during the period)</small>	7,938	7,500	7,558	7,700
<b>Sales by Business Segment</b>				
Musical Instruments	257.7 (63.1%)	273.5 (63.3%)	274.5 (63.4%)	277.5 (62.8%)
Audio Equipment	115.5 (28.3%)	122.5 (28.4%)	121.8 (28.1%)	125.5 (28.4%)
Others	35.1 (8.6%)	36.0 (8.3%)	36.7 (8.5%)	39.0 (8.8%)
<b>Operating Income by Business Segment</b>				
Musical Instruments	32.1	35.5	34.6	39.5
Audio Equipment	10.4	12.0	10.7	12.0
Others	1.7	2.5	3.5	3.5

Net Sales	215.8
Operating Income	15.6 (7.2%)
Ordinary Income	26.6 (12.3%)
Net Income	34.0 (15.7%)

	231.1
	26.0 (11.3%)
	36.7 (15.9%)
	47.5 (20.6%)

\* 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

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.