February 10, 2015

To All Concerned Parties

YAMAHA CORPORATION

(Revised) Analyst and Investor Briefing on the Third Quarter of Fiscal Year Ending March 31, 2015 (FY2015.3)

Yamaha Corporation revised the following parts of the "Analyst and Investor Briefing on the Third Quarter of Fiscal Year Ending March 31, 2015 (FY2015.3)" dated February 5, 2015. The changes are indicated by the underlined portions and the whole document including the revised page is attached hereto.

Revision 1:
The figure of operating income in the bar graph of previous projections for FY2015.3 in Page 15 (Versus previous projections) is different.

【Before Revision】	【After Revision】
290 (Billions of Yen)	29.0 (Billions of Yen)

Revision 2:
The figure of operating income in the bar graph of projections for FY2015.3 in Page 15 (Versus previous projections) is different.

【Before Revision】	【After Revision】
300 (Billions of Yen)	30.0 (Billions of Yen)

Yamaha Corporation
Analyst and Investor Briefing on the Third Quarter of Fiscal Year Ending March 31, 2015 (FY2015.3)

February 5, 2015

YAMAHA

Overview of Performance in the Third Quarter (October-December)

Results Summary

■Sales and income increased year-on-year and exceeded previous projections.

- Musical instrument sales were generally robust.
- In the audio equipment segment, although professional audio equipment sales grew, AV products continued to struggle.
- Electronic device sales fell sharply year-on-year, but were in line with previous projections.

■Increased income from musical instruments drove a rise in operating income for the company as a whole.

- Ordinary income and net income were up year-on-year and exceeded previous projections.

Performance in the Third Quarter of FY2015.3 (Three Months)

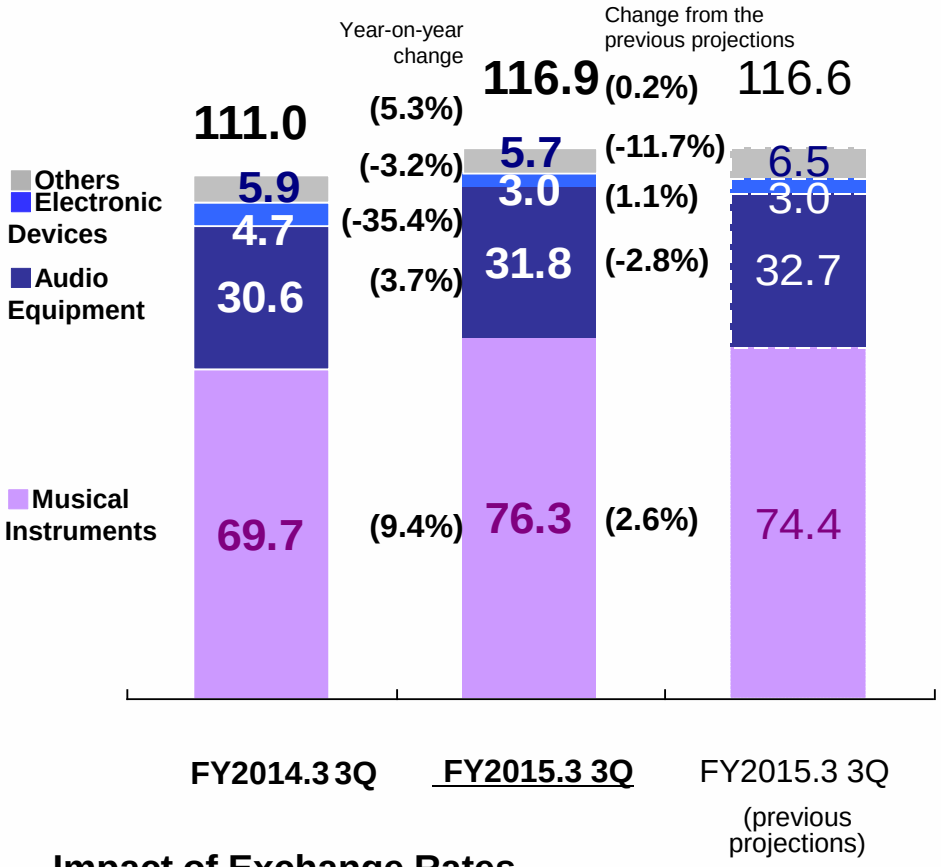
(Billions of yen)

	FY2014.3 3Q results	FY2015.3 3Q results	Changes from same period of the previous year	FY2015.3 3Q previous projections	Changes from the previous projection
Net Sales	**111.0**	**116.9**	**+5.3%**	116.6	+0.2%
Operating Income (Operating Income Ratio)	**9.1** (8.2%)	**10.6** (9.1%)	**+16.8%**	9.9 (8.5%)	+7.4%
Ordinary Income (Ordinary Income Ratio)	**8.9** (8.0%)	**10.9** (9.3%)	**+22.8%**	8.9 (7.6%)	+22.4%
Net Income (Net Income Ratio)	**6.5** (5.9%)	**9.9** (8.5%)	**+51.7%**	7.7 (6.6%)	+28.8%

Exchange Rate (yen)				
Net Sales	**US$**	**100**	**114**	105
	EUR	**137**	**143**	135
Operating Income	**US$**	**99**	**112**	105
	EUR	**131**	**138**	135

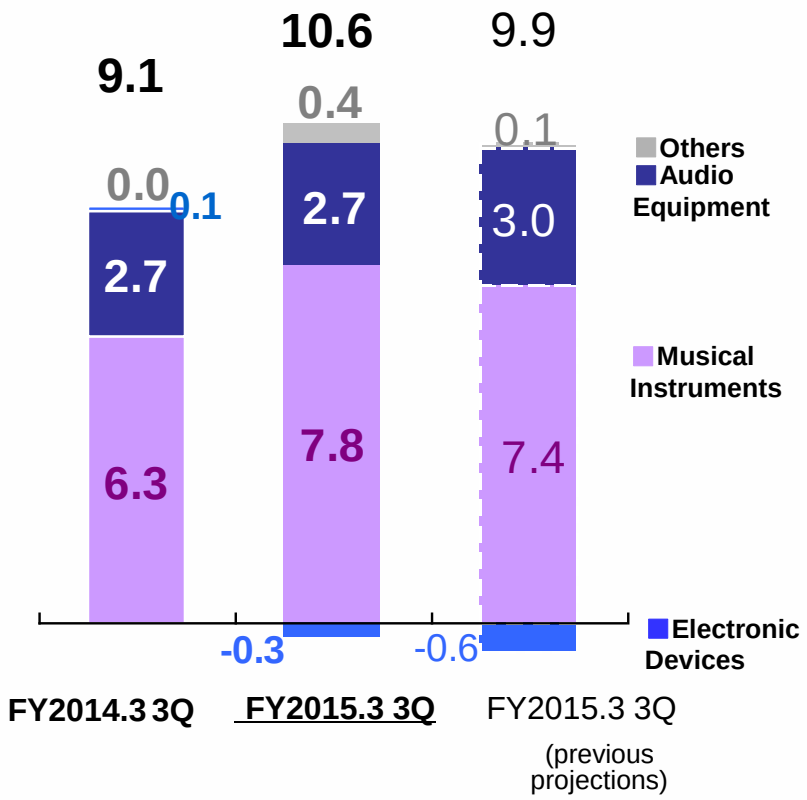
Performance by Business Segment in the Third Quarter of FY2015.3 (Three Months)

Net Sales



Operating Income

(Billions of yen)

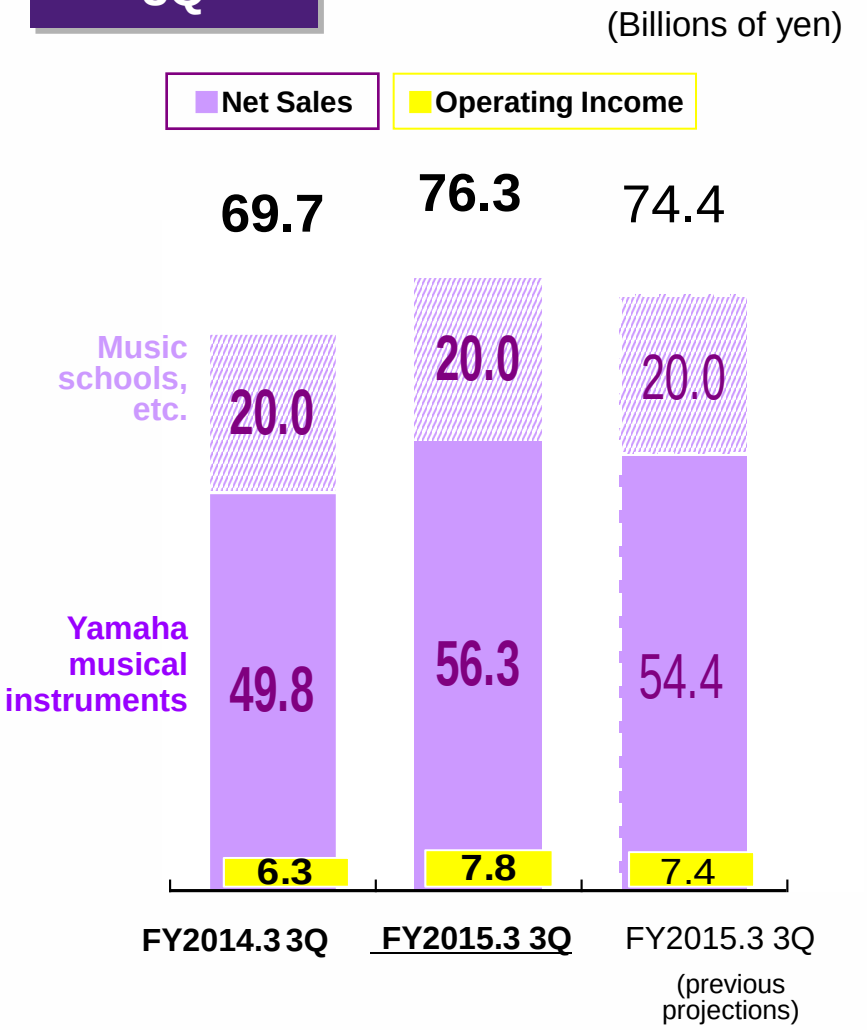


Impact of Exchange Rates

Year-on-Year	**+¥5.8 billion** (musical instruments +¥3.9 billion, audio equipment +¥1.8 billion, electronic devices +¥0.1 billion)	**+¥1.3 billion** (musical instruments +¥1.0 billion, audio equipment +¥0.3 billion)
Versus previous projections	**+¥5.3 billion** (musical instruments +¥3.5 billion, audio equipment +¥1.7 billion)	**+¥1.2 billion** (musical instruments +¥0.9 billion, audio equipment +¥0.4 billion)

Musical Instruments 3Q (Three Months)

3Q



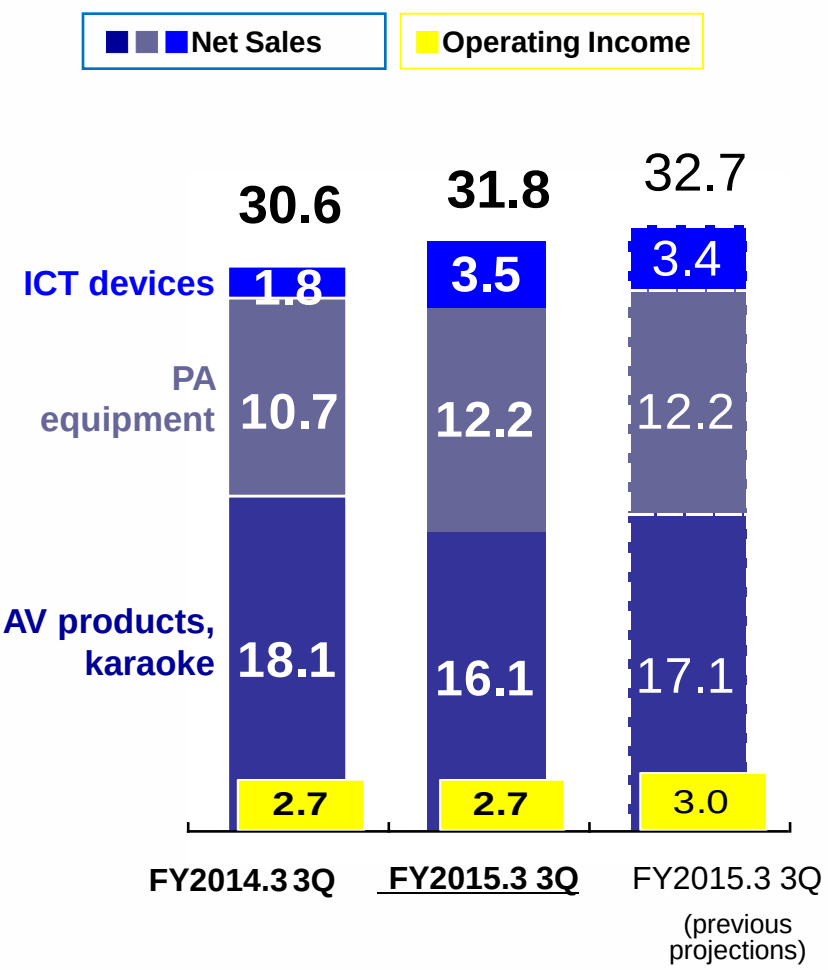
3Q Overview

- Sales and income increased year-on-year and exceeded previous projections
- Discounting the impact of exchange rates, sales increased year-on-year in all regions
- Piano sales in Japan were slow to recover following the consumption tax hike
- Sales of digital musical instruments and wind instruments were robust, and in the string and percussion instrument segment guitar sales were also brisk

Audio Equipment 3Q (Three Months)

3Q

(Billions of yen)



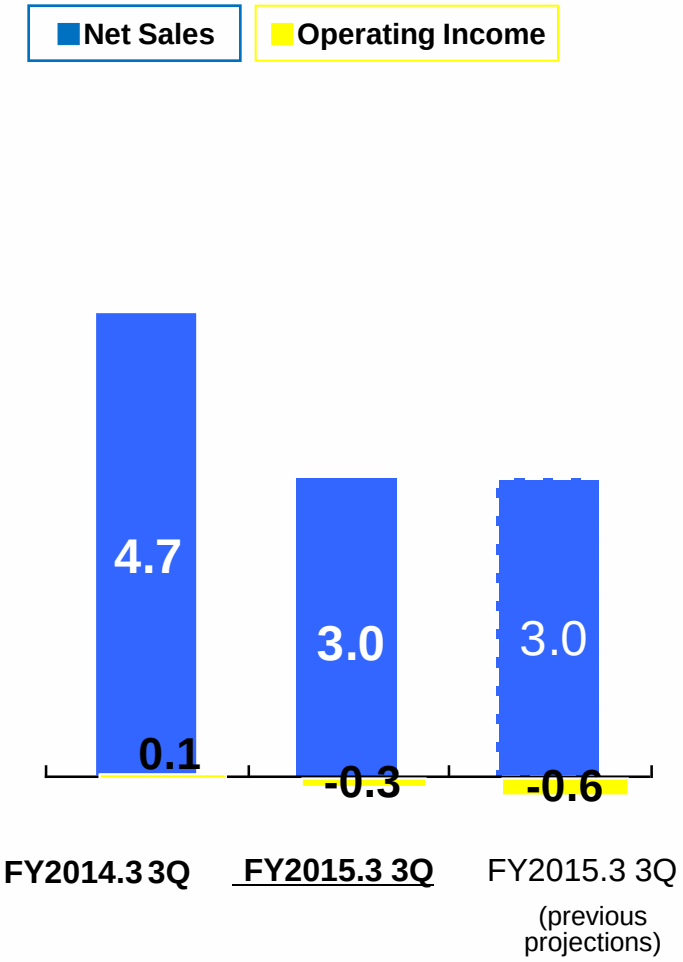
3Q Overview

- Sales increased year-on-year, but were lower than previous projections
- AV products continued to struggle, and karaoke equipment sales were lower than previous projections
- Although sales of professional audio equipment rose year-on-year, actual sales discounting the effect of exchange rates were below previous projections
- Router sales were strong

Electronic Devices 3Q (Three Months)

3Q

(Billions of yen)



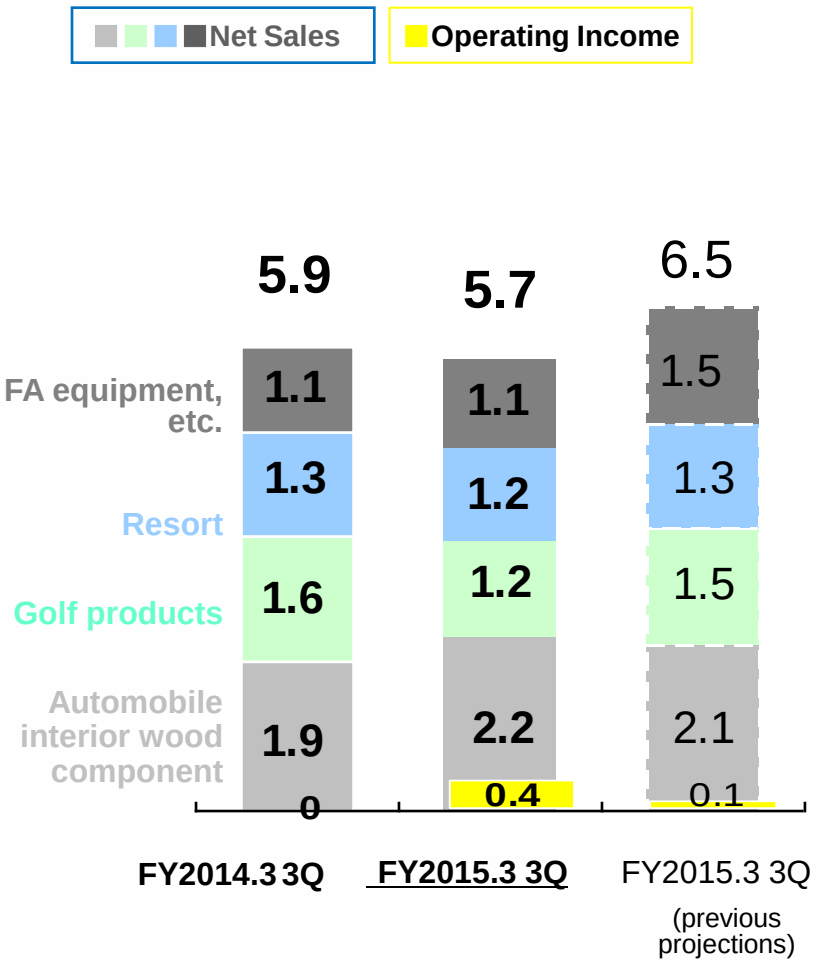
3Q Overview

- **Sales fell sharply year-on-year, but were in line with previous projections**
- **Market conditions remained challenging for amusement equipment and geomagnetic sensors**
- **Deferment of development expenditure resulted in a slightly smaller operating loss than previously projected**

Others 3Q (Three Months)

3Q

(Billions of yen)



3Q Overview

- Sales declined year-on-year and were below previous projections
- Sales of automobile interior wood components increased from the same period of the previous year
- Golf product sales fell year-on-year in the face of fiercer competition and struggling overseas markets
- Resort sales were lower than the same period of the previous year due to a decline in guest numbers
- Strong sales of automobile interior wood components pushed operating income higher than the previous year and previous projections

Performance in the First Three Quarters of FY2015.3 (Nine Months)

(Billions of yen)

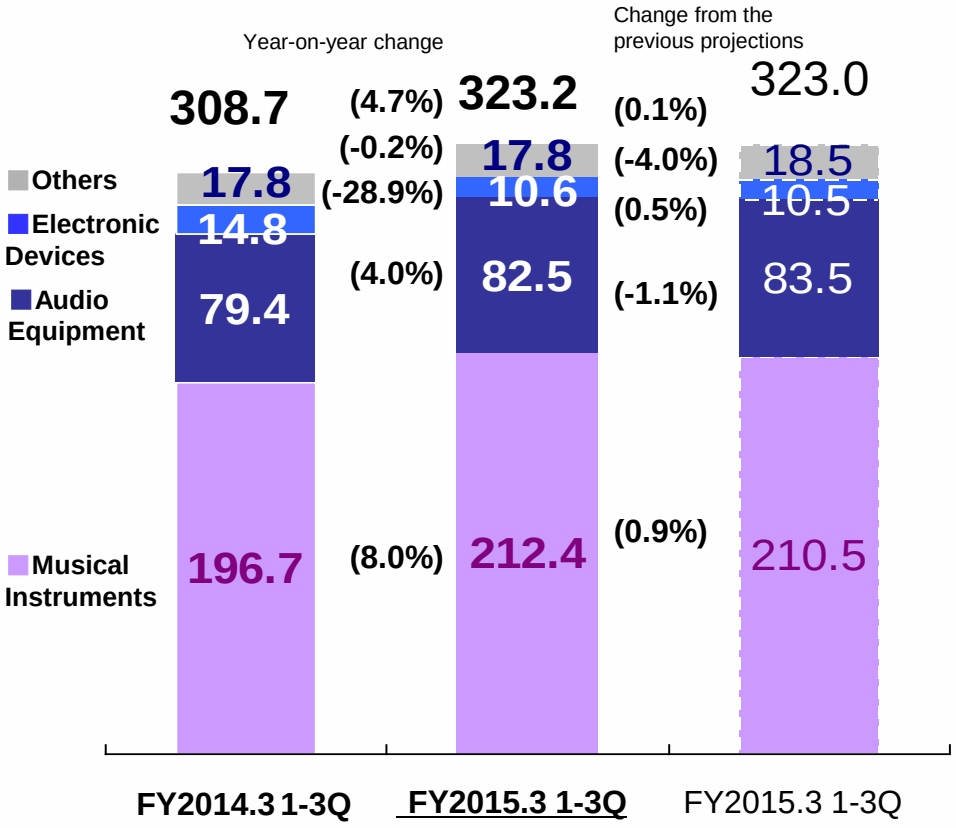
	FY2014.3 1-3Q results	FY2015.3 1-3Q results	Changes from same period of the previous year	FY2015.3 1-3Q previous projections	Changes from the previous projection
Net Sales	**308.7**	**323.2**	**+4.7%**	323.0	+0.1%
Operating Income (Operating Income Ratio)	**22.8** (7.4%)	**25.7** (8.0%)	**+12.9%**	25.0 (7.7%)	+2.8%
Ordinary Income (Ordinary Income Ratio)	**22.3** (7.2%)	**26.0** (8.0%)	**+16.2%**	24.0 (7.4%)	+8.1%
Net Income (Net Income Ratio)	**19.0** (6.2%)	**20.7** (6.4%)	**+8.7%**	18.5 (5.7%)	+11.9%

Exchange Rate (yen)

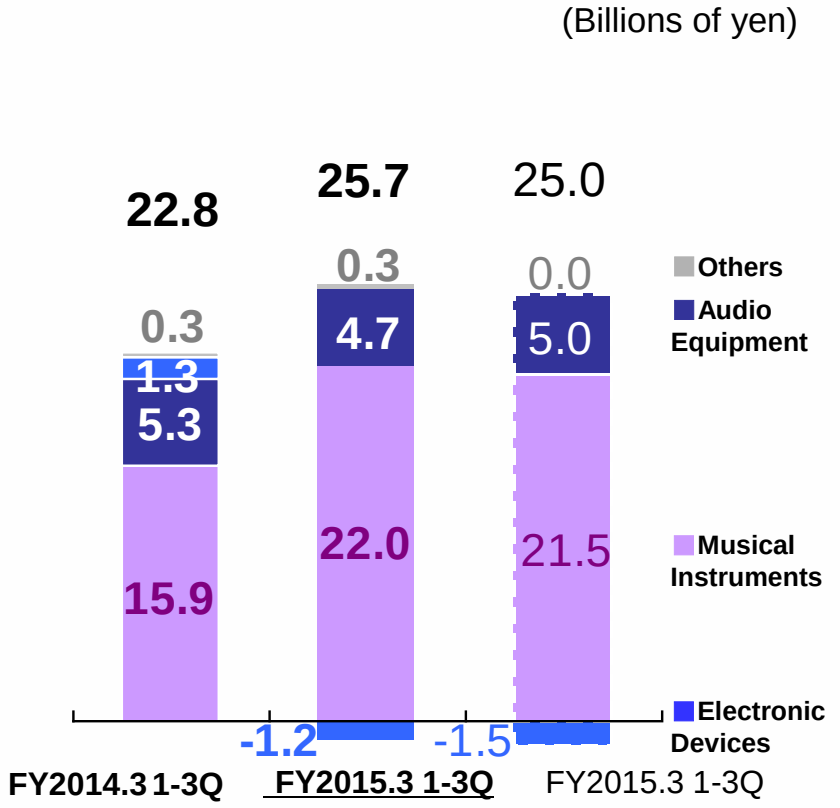
Net Sales	**US$**	**99**	**107**	104
	EUR	**132**	**140**	138
Operating Income	**US$**	**98**	**105**	103
	EUR	**127**	**140**	139

Performance by Business Segment in the First Three Quarters of FY2015.3 (Nine Months)

Net Sales



Operating Income



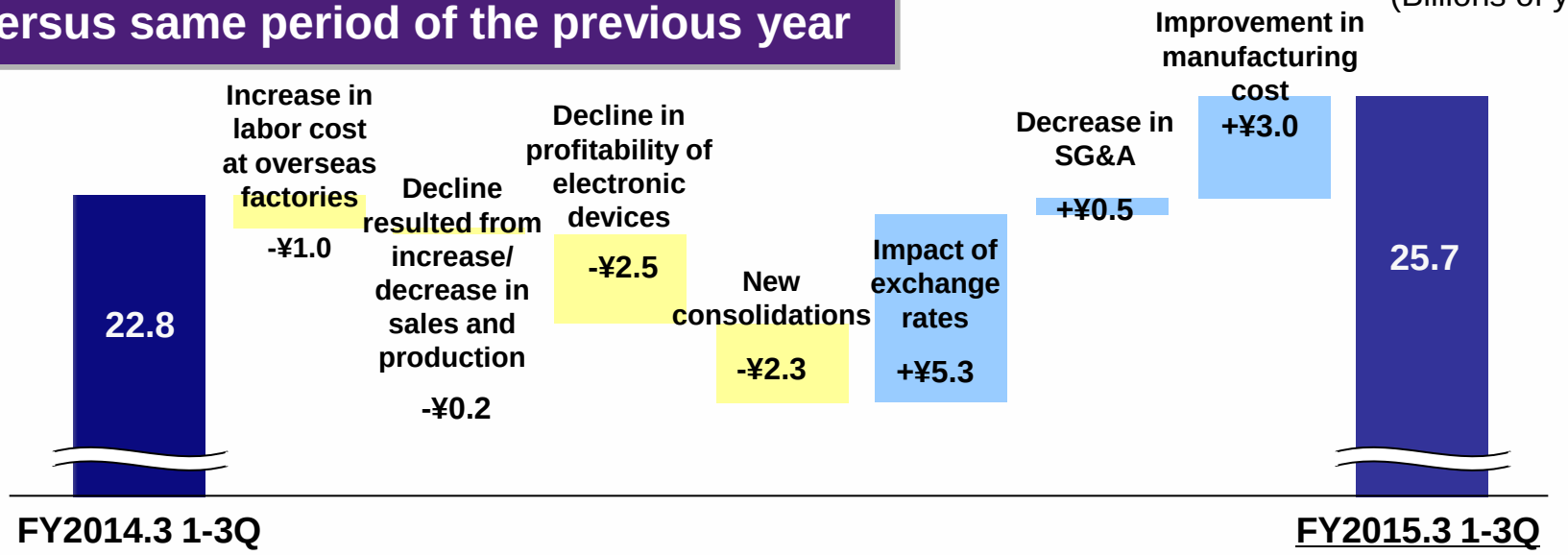
Impact of Exchange Rates

Year-on-Year	**+¥10.8 billion** (musical instruments +¥7.2 billion, audio equipment +¥3.5 billion, electronic devices +¥0.1 billion)	**+¥5.3 billion** (musical instruments +¥4.0 billion, audio equipment +¥1.4 billion)
Versus previous projections	**+¥5.3 billion** (musical instruments +¥3.5 billion, audio equipment +¥1.7 billion)	**+¥1.2 billion** (musical instruments +¥0.9 billion, audio equipment +¥0.4 billion)

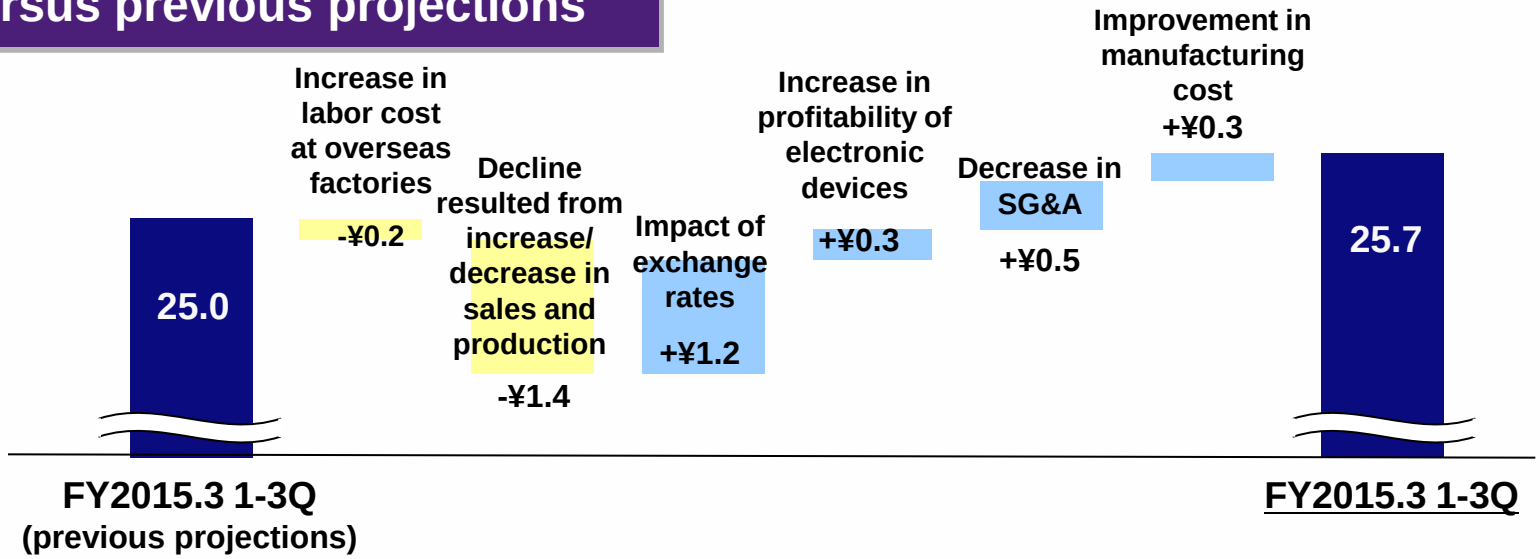
FY2015.3 1-3Q Operating Income Analysis (Nine Months)

Versus same period of the previous year

(Billions of yen)



Versus previous projections



Outlook for Fourth Quarter and Full Year

Outlook for 4Q

- Although musical instrument sales are likely to be robust in North America and show a trend toward recovery in Other Markets, the outlook remains cautious for Japan and Europe.
- In the audio equipment segment, professional audio equipment sales are projected to rise, but AV products will continue to face headwinds.
- Operating losses in the electronic devices segment are expected to worsen due to reduced sales and higher expenses.
- Fourth quarter exchange rates have been revised (previous projection of USD=¥105, EUR=¥135 revised to USD=¥115, EUR=¥140).

Full Year Outlook

Although a cautious outlook is required for the audio equipment, electronic devices, and “others” segments, taking into account strong sales of musical instruments, full year projections have been revised to ¥430 billion for net sales and ¥30 billion for operating income.

Forecast for Performance in FY2015.3 (Full Year)

(Billions of yen)

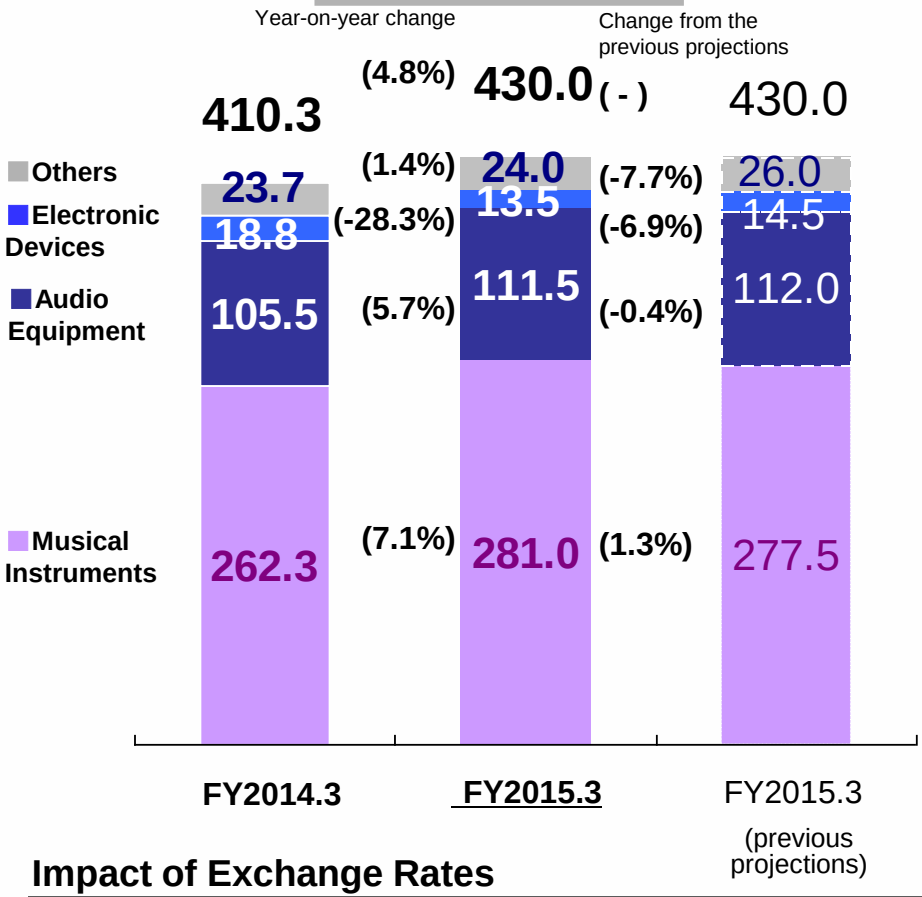
	FY2014.3			FY2015.3			Change from previous year results	FY2015.3 full year previous projections	Change from previous projections
	1-3Q	4Q	Full Year	1-3Q	4Q projections	Full Year New Projections			
Net Sales	**308.7**	**101.6**	**410.3**	**323.2**	**106.8**	**430.0**	**+4.8%**	**430.0**	-
Operating Income (Operating Income Ratio)	**22.8** (7.4%)	**3.2** (3.2%)	**26.0** (6.3%)	**25.7** (8.0%)	**4.3** (4.0%)	**30.0** (7.0%)	**+15.4%**	**29.0** (6.7%)	+3.4%
Ordinary Income (Ordinary Income Ratio)	**22.3** (7.2%)	**3.8** (3.7%)	**26.1** (6.4%)	**26.0** (8.0%)	**4.0** (3.7%)	**30.0** (7.0%)	**+14.7%**	**28.0** (6.5%)	+7.1%
Net Income (Net Income Ratio)	**19.0** (6.2%)	**3.9** (3.8%)	**22.9** (5.6%)	**20.7** (6.4%)	**0.3** (0.3%)	**21.0** (4.9%)	**-8.3%**	**19.0** (4.4%)	+10.5%

Exchange Rate (yen)

Net Sales	US$	99	103	100	107	115	109	104
	EUR	132	141	134	140	140	140	137
Operating Income	US$	98	103	100	105	115	108	104
	EUR	127	137	129	140	140	140	138

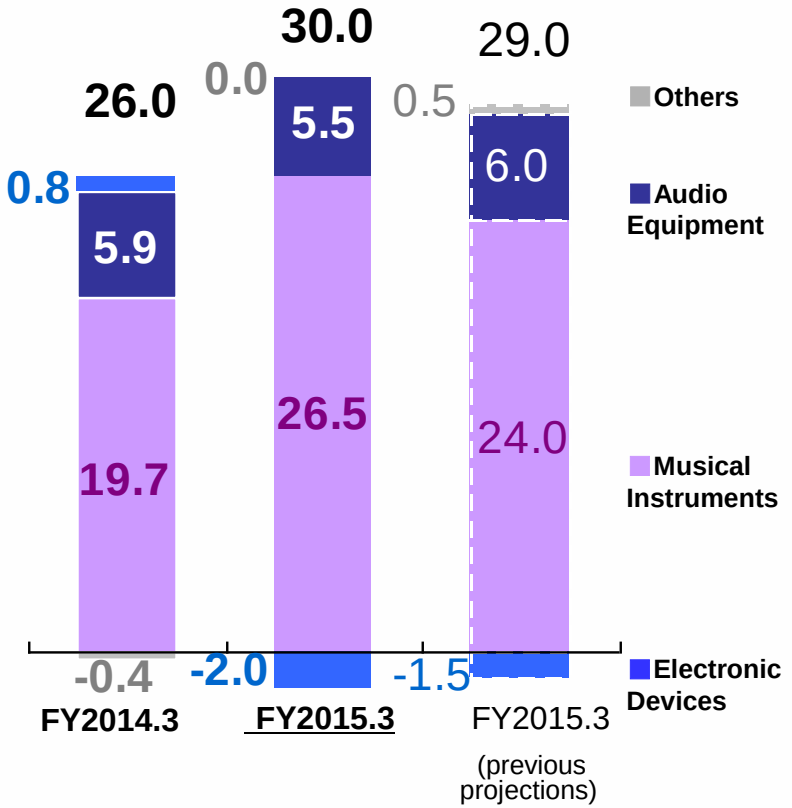
FY2015.3 Full Year Forecast for Performance by Business Segment

Net Sales



Operating Income

(Billions of yen)



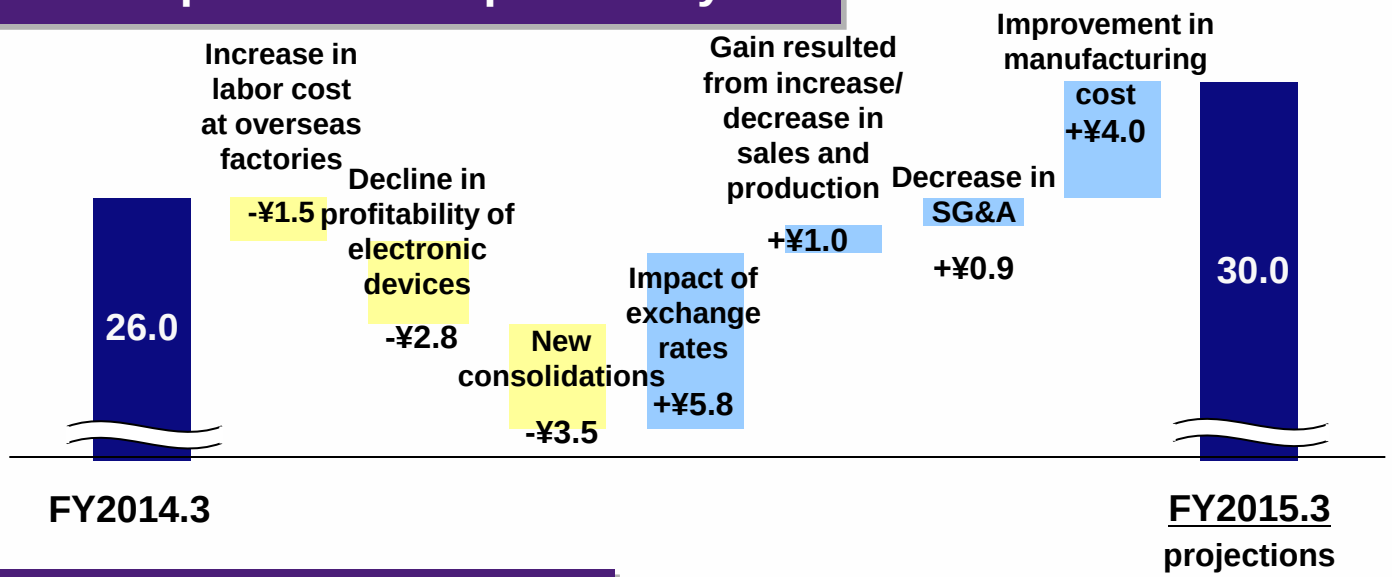
Impact of Exchange Rates

Year-on-Year	**+¥14.7 billion** (musical instruments +¥9.8 billion, audio equipment +¥4.8 billion, electronic devices +¥0.2 billion)	**+¥5.8 billion** (musical instruments +¥4.5 billion, audio equipment +¥1.4 billion, electronic devices -¥0.1 billion)
Versus previous projections	**+¥9.6 billion** (musical instruments +¥6.4 billion, audio equipment +¥3.2 billion, electronic devices +¥0.1 billion)	**+¥2.1 billion** (musical instruments +¥1.6 billion, audio equipment +¥0.6 billion, electronic devices -¥0.1 billion)

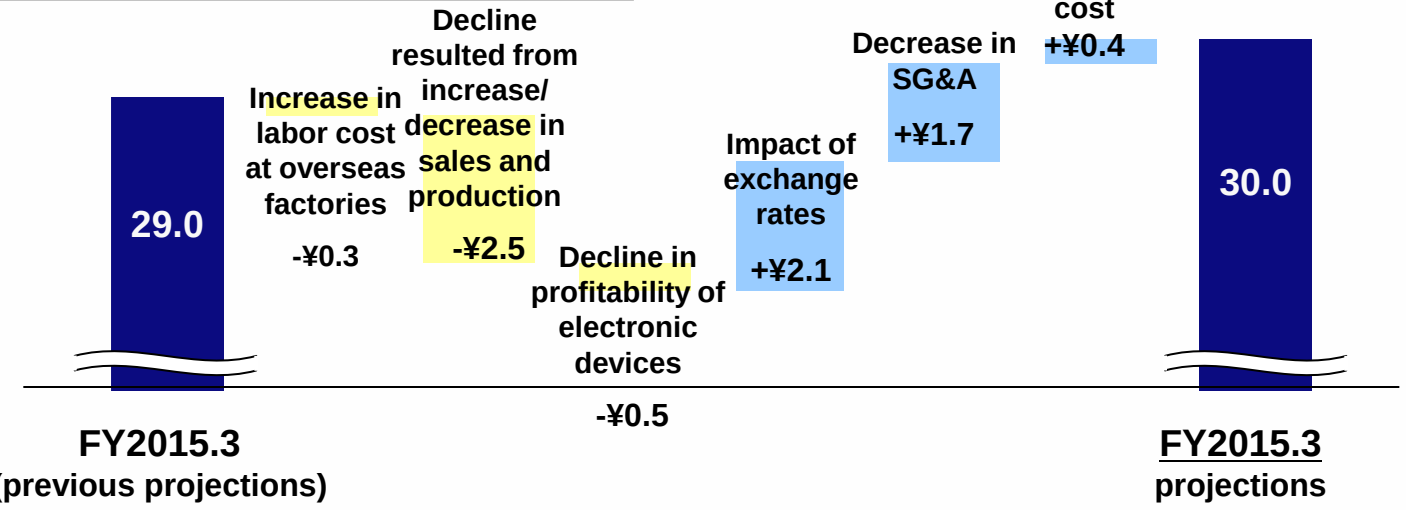
FY2015.3 Full Year Operating Income Analysis

(Billions of yen)

Versus same period of the previous year



Versus previous projections



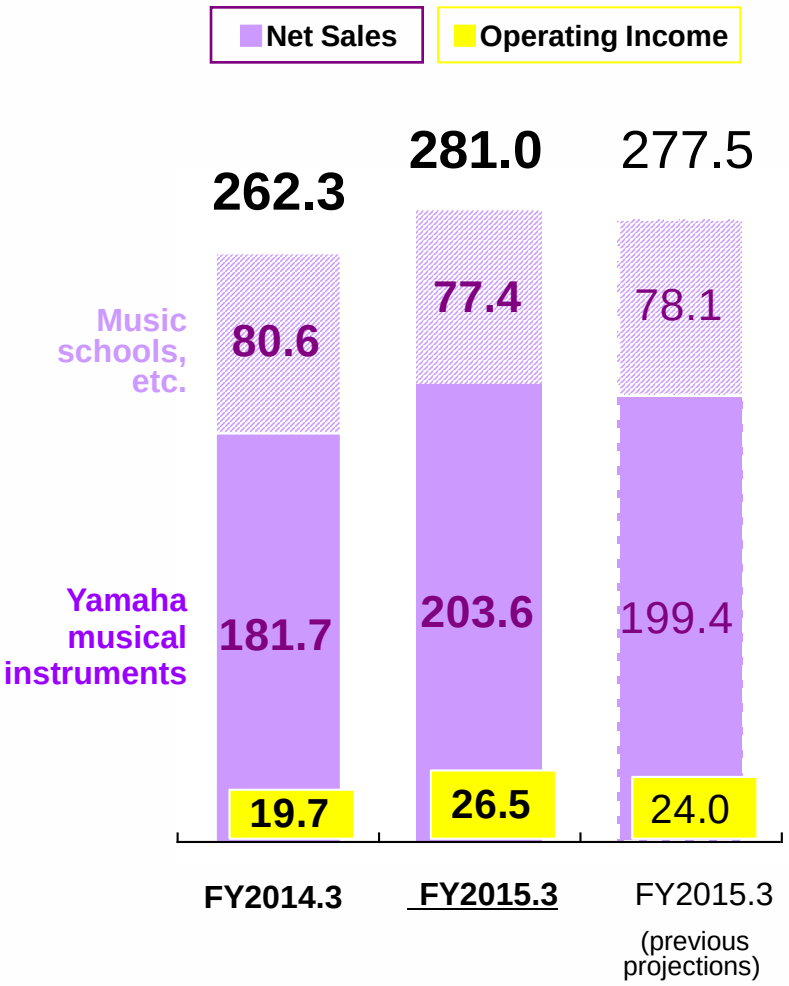
Musical Instruments
4Q and Full Year Projections

Full Year

(Billions of yen)

4Q Projections

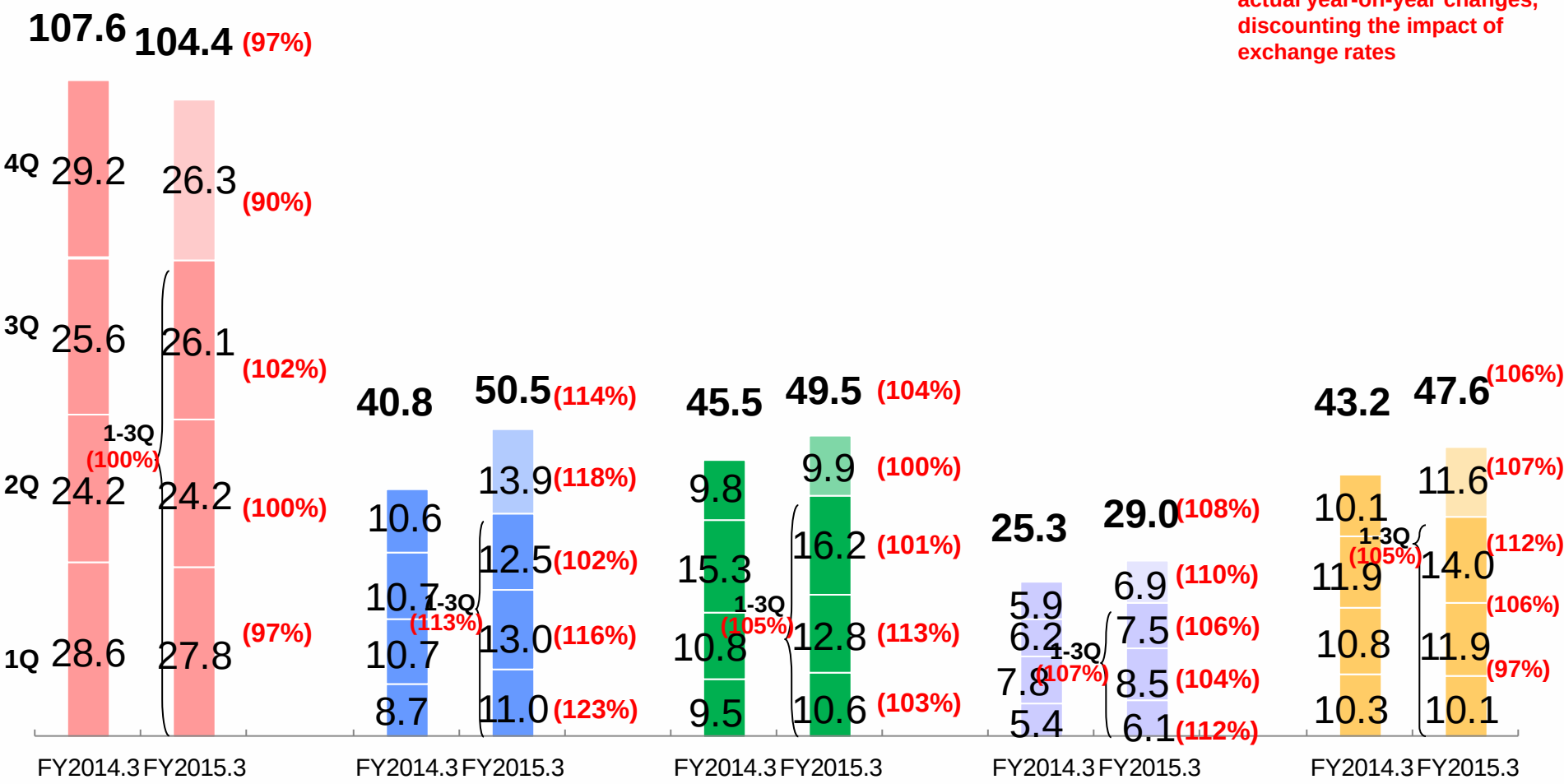
- **Sales in the Japanese market are expected to decline from the same period of the previous year, when demand was particularly high prior to the consumption tax hike**
- **Guitar sales are projected to recover from production hitches in the previous period**



Musical Instruments: Sales by Region

(Billions of yen)

Figures in parentheses show actual year-on-year changes, discounting the impact of exchange rates



Japan | North America | Europe | China | Other Regions

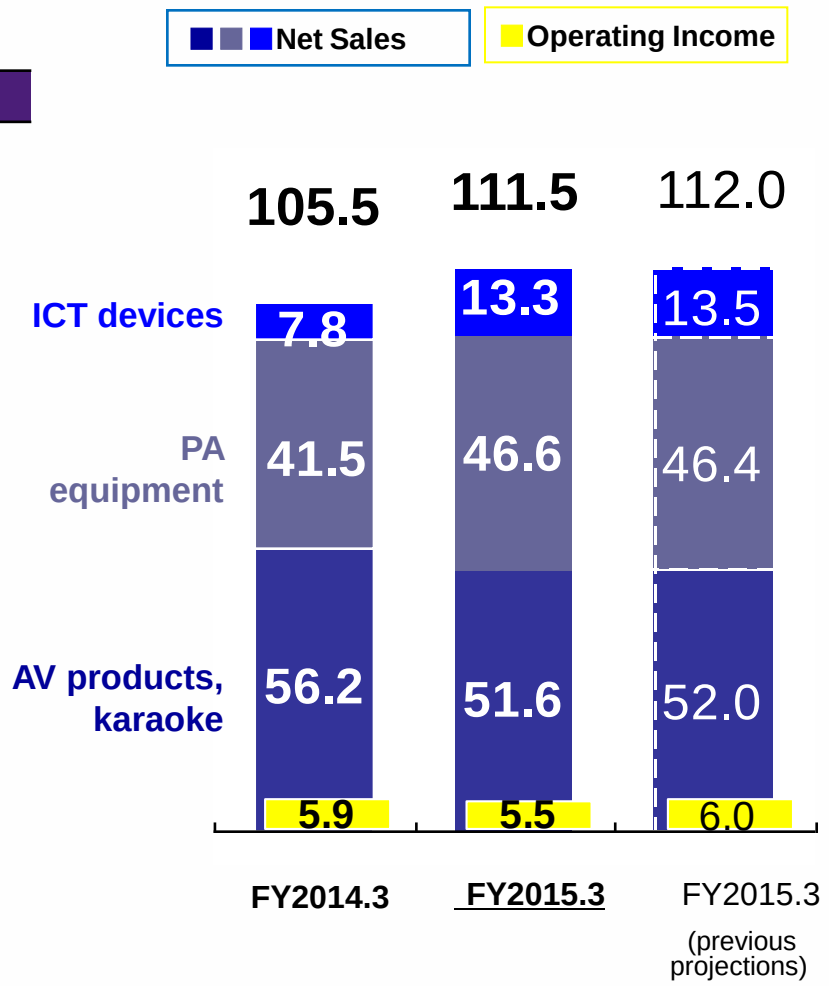
Audio Equipment
4Q and Full Year Projections

Full Year

(Billions of yen)

4Q Projections

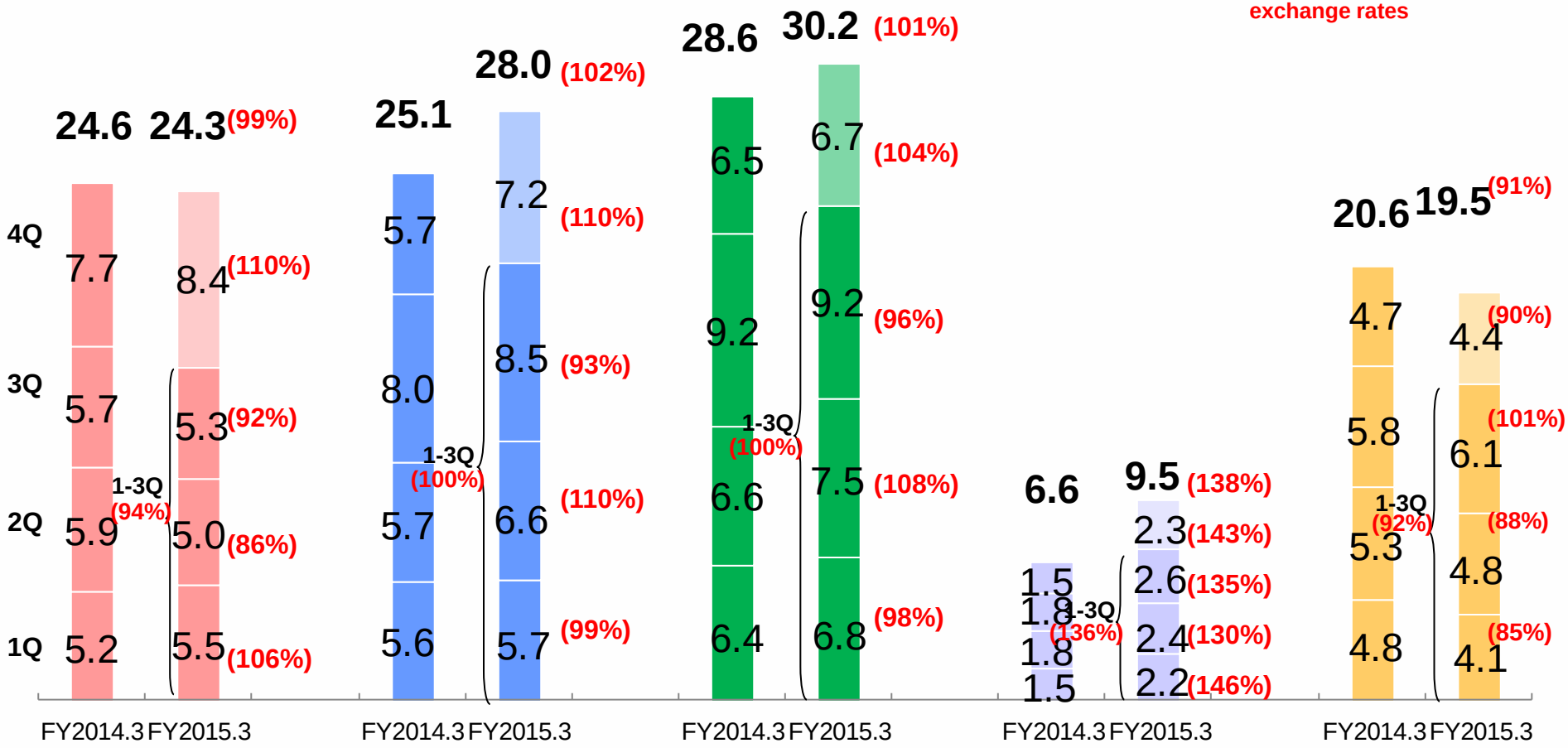
- Conditions will remain challenging for AV products
- Installation of commercial audio equipment is expected to drive higher sales of professional audio equipment
- Router sales are likely to slow as distributors adjust their inventories



Audio Equipment: Sales by Region

(Billions of yen)

Figures in parentheses show actual year-on-year changes, discounting the impact of exchange rates



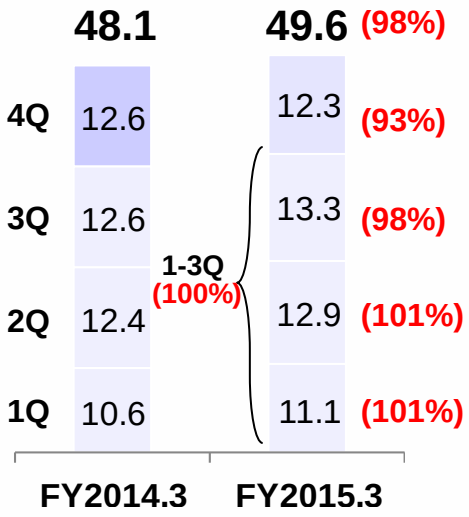
Japan | **North America** | **Europe** | **China** | **Other Regions**

Musical Instruments/Audio Equipment: Sales by Major Product Category (Yamaha branded products)

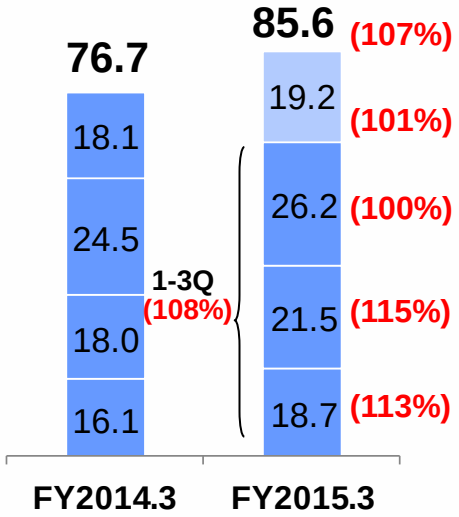
(Billions of yen)

Musical Instruments

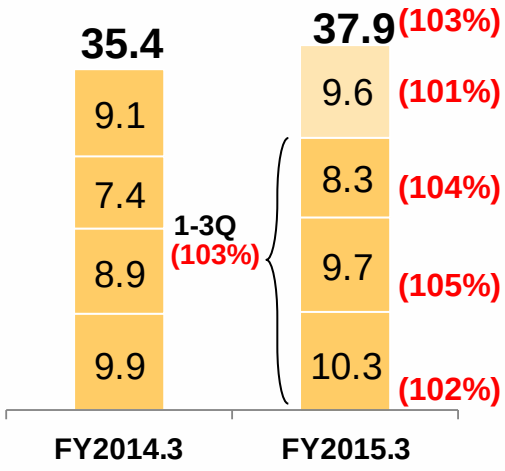
Piano



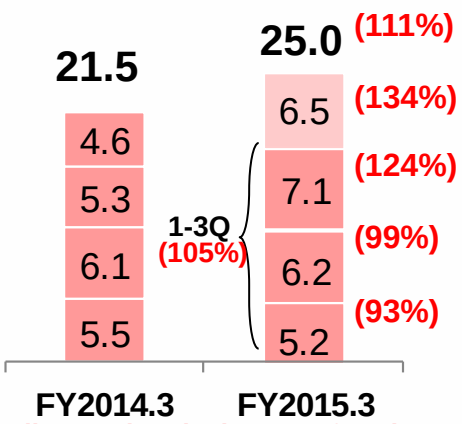
Digital Musical Instruments



Wind Instruments

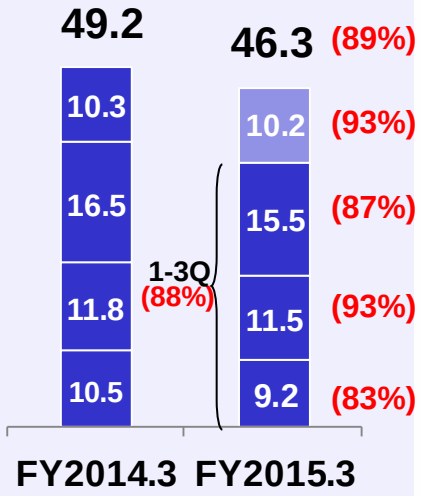


String and Percussion Instruments

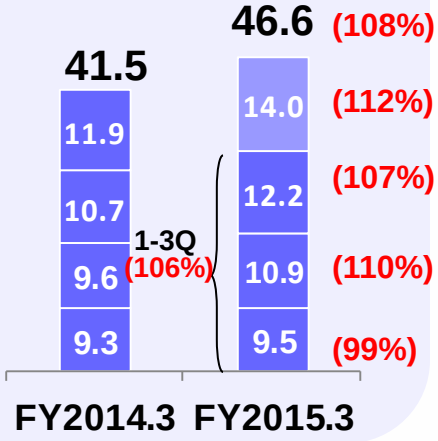


Audio Equipment

AV Products (excl. parts)



PA Equipment



Figures in parentheses show actual year-on-year changes, discounting the impact of exchange rates

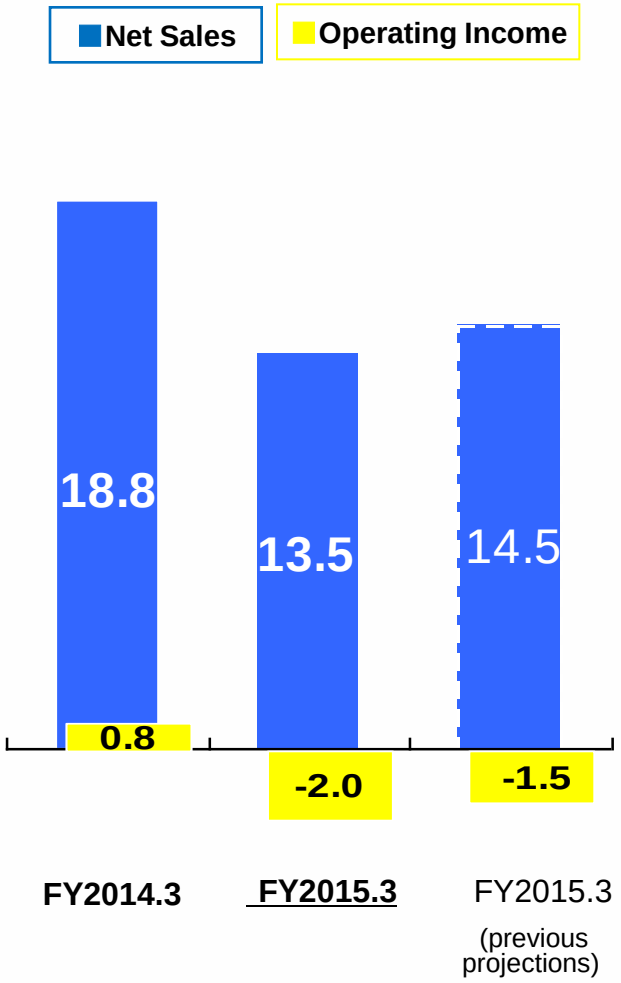
Electronic Devices
4Q and Full Year Projections

Full Year

(Billions of yen)

4Q Projections

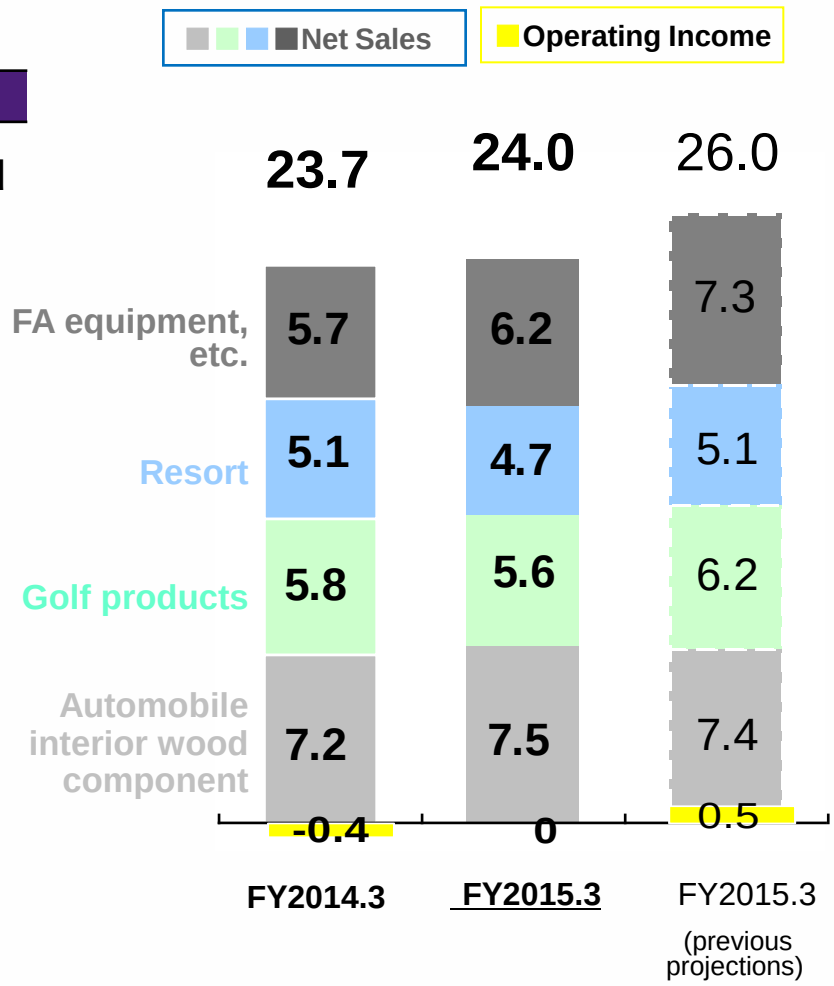
- **Sales are expected to be lower than previous projections**
- **Further delay is anticipated in recovery of the amusement equipment market**
- **Sluggish customer sales are projected to constrain demand for geomagnetic sensor and codec products for smartphones**
- **Development expenditure deferred from earlier periods is likely to be incurred**



Others
4Q and Full Year Projections

Full Year

(Billions of yen)

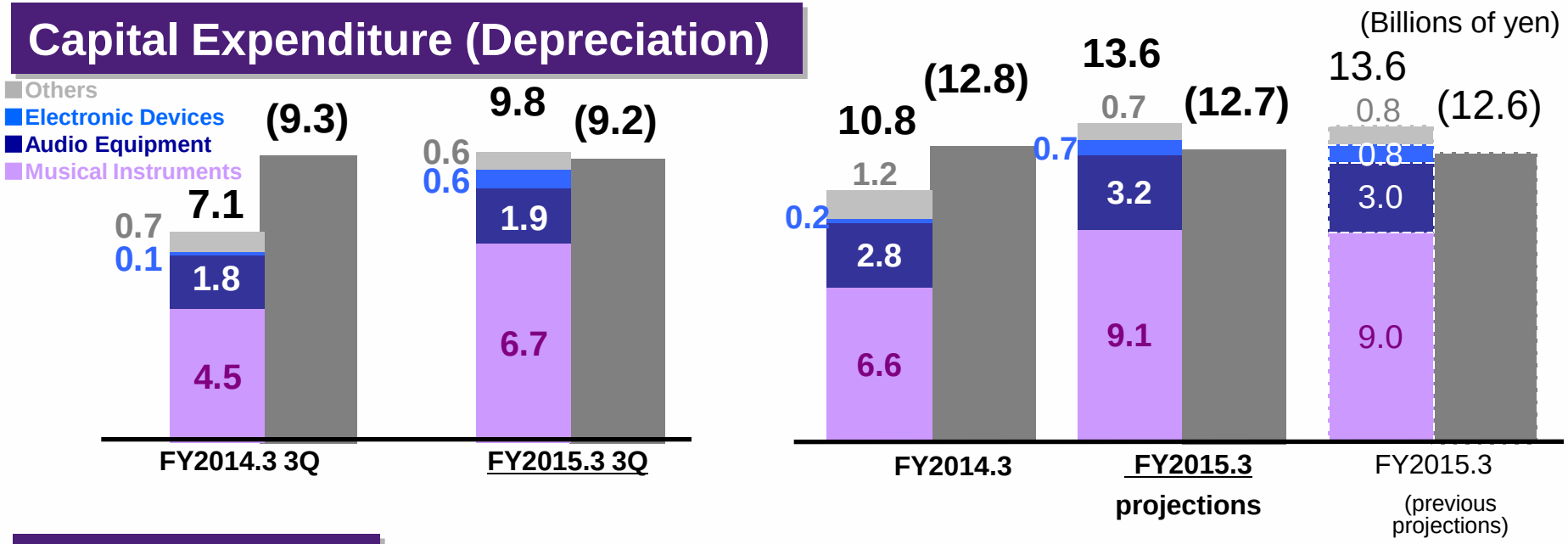


4Q Projections

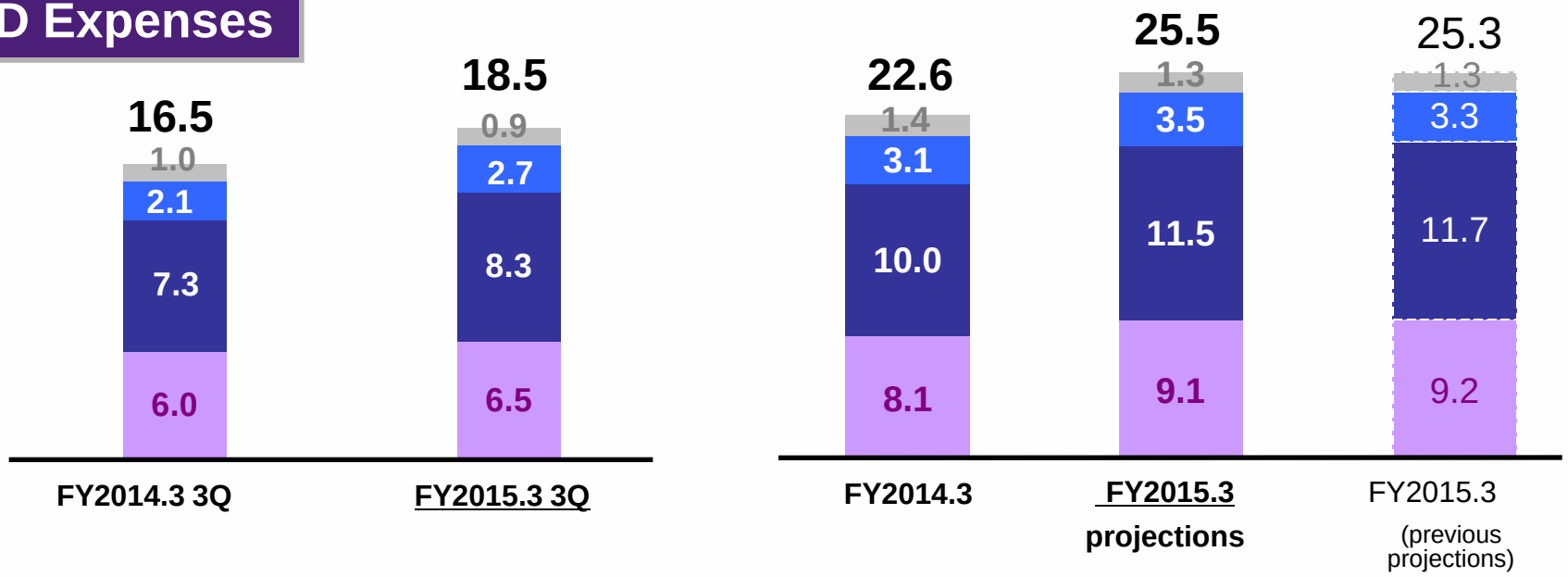
- **Golf product and resort sales are expected to be lower than previous projections amid ongoing headwinds**
- **Factory automation equipment sales are also likely to undershoot previous projections, due to a decline in orders**

Capital Expenditure/Depreciation/R&D Expenses

Capital Expenditure (Depreciation)



R&D Expenses

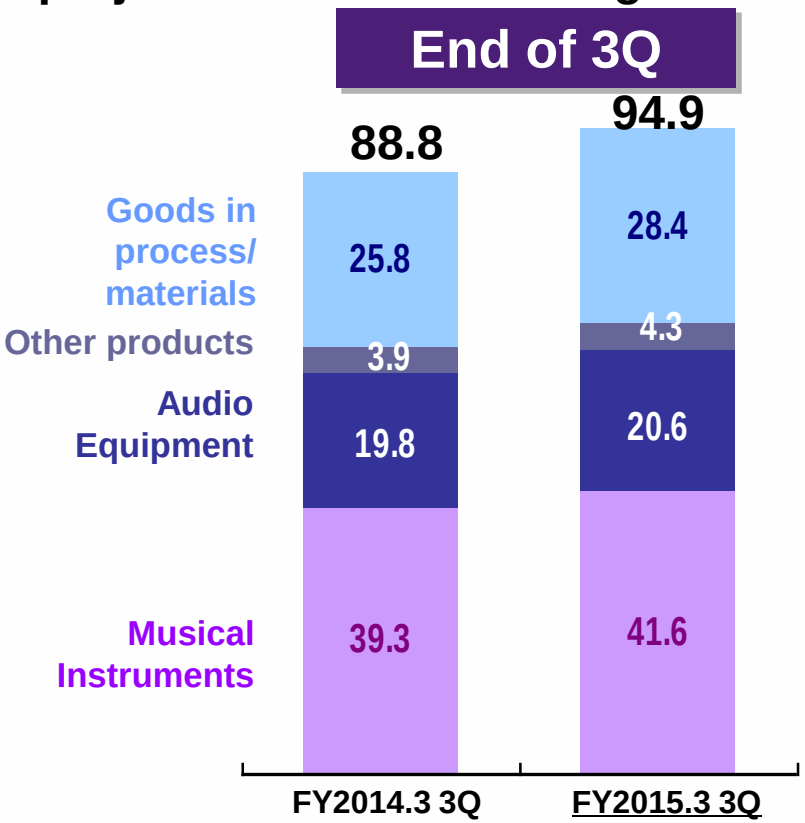


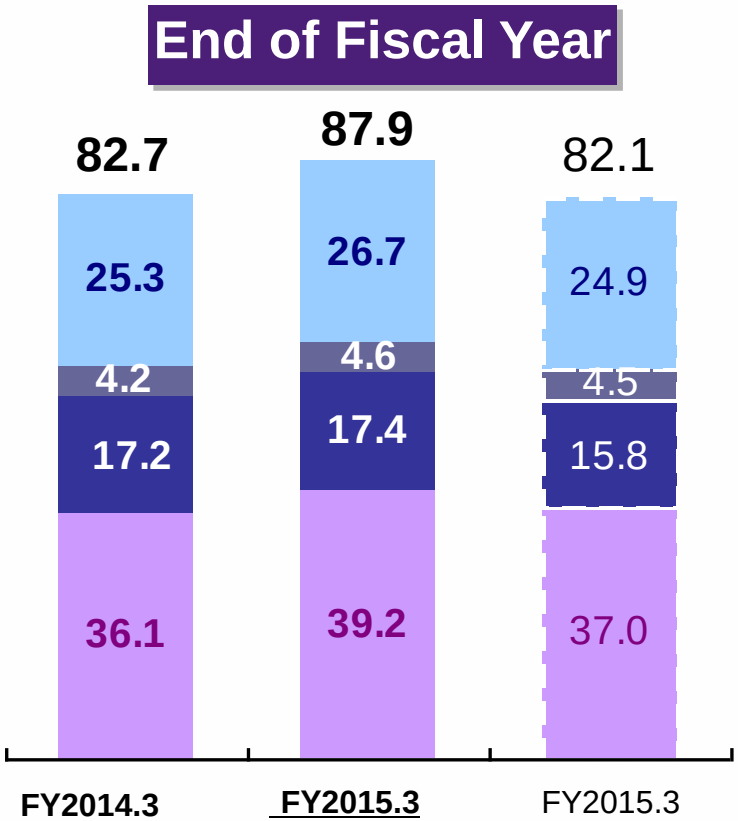
Inventories

➢Inventories at the end of the third quarter (Dec. 31, 2014) amounted to ¥94.9 billion including the year-on-year forex impact of +¥4.9 billion

➢Inventories at the end of the fiscal year is forecast to be ¥87.9 billion. The actual inventories will increase by +¥1.8 billion versus previous projection when excluding the forex impact

(Billions of yen)





Impact of Exchange Rates	
Year-on-Year	+¥4.9 billion
Versus previous projections	-
	+¥3.4 billion
	+¥4.0 billion

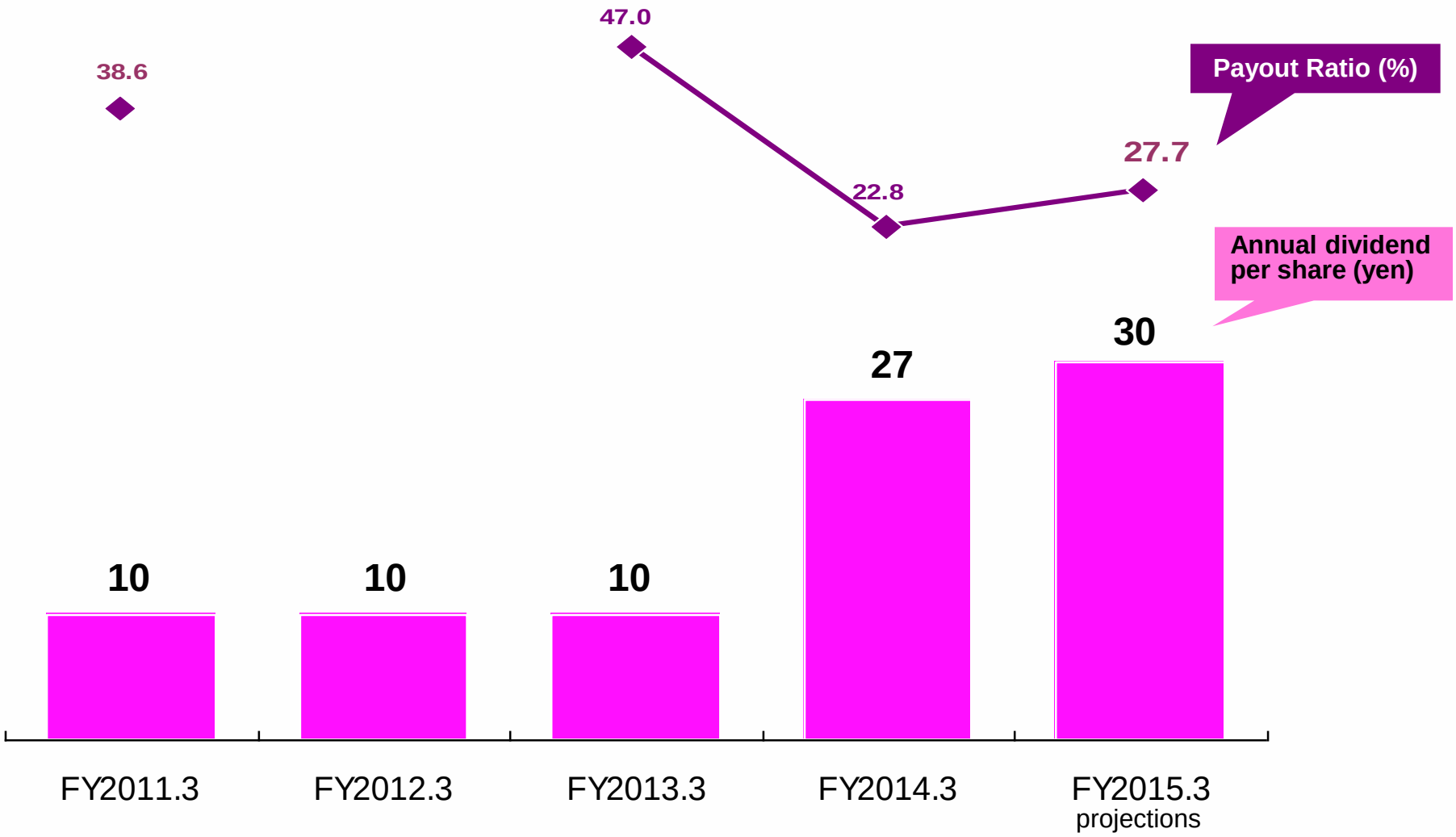
Balance Sheet Summary

(Billions of yen)

	As of end of 3Q			As of fiscal year end		
	As of Dec. 31, 2013	As of Dec. 31, 2014	Change	As of Mar. 31, 2014	As of Mar. 31, 2015 projections	Change
Cash and deposits	68.1	74.5	+6.4	60.6	74.7	+14.1
Notes and accounts receivable	64.8	68.2	+3.4	56.7	58.8	+2.1
Inventories	88.8	94.9	+6.1	82.7	87.9	+5.2
Other current assets	14.0	19.5	+5.5	14.5	17.5	+3.0
Fixed assets	209.4	262.0	+52.6	224.4	259.7	+35.3
Total assets	445.1	519.0	+73.9	438.9	498.6	+59.7
Notes and accounts payable	21.0	23.0	+2.0	21.6	22.3	+0.7
Short- and long-term loans	17.6	19.9	+2.3	8.8	9.8	+1.0
Other liabilities	138.6	146.4	+7.8	133.7	144.1	+10.4
Total net assets	267.9	329.8	+61.9	274.8	322.4	+47.6
Total liabilities and net assets	445.1	519.0	+73.9	438.9	498.6	+59.7

Return to Shareholders

➢ **Annual dividends for FY2015.3 is forecast to be ¥30**



Appendix

Forecast for Performance in the Fourth Quarter of FY2015.3 (Three Months)

(Billions of yen)

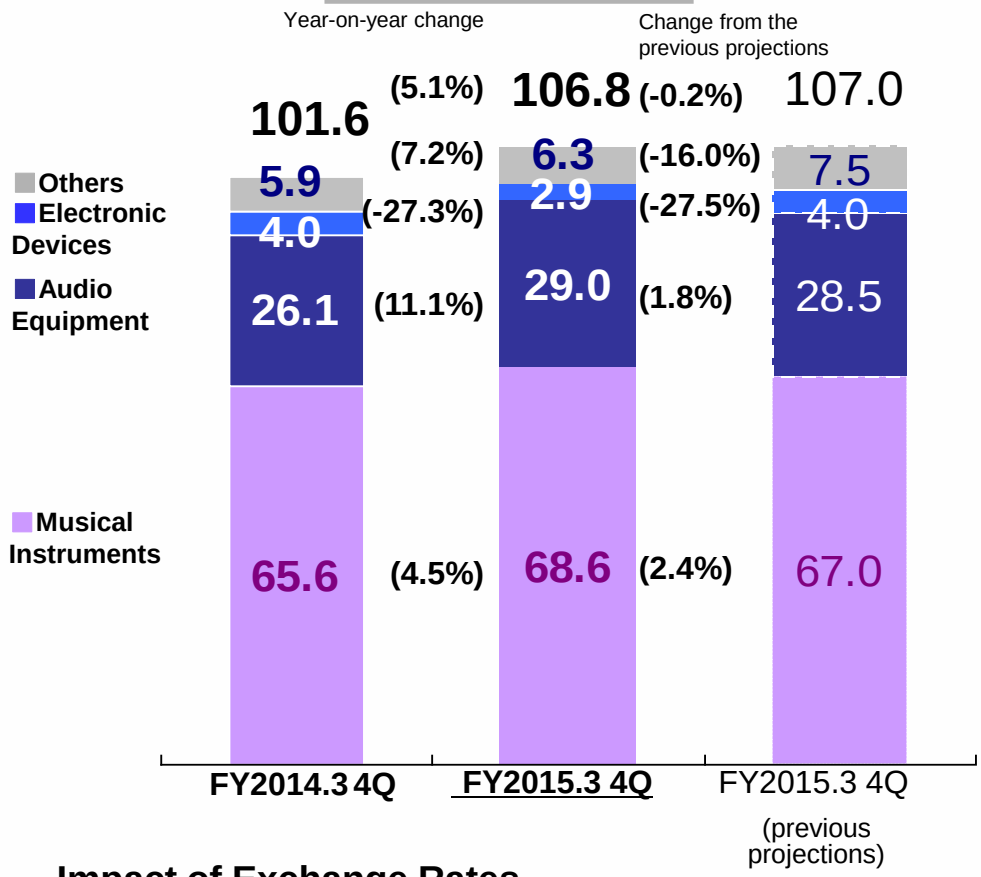
	FY2014.3 4Q results	FY2015.3 4Q projections	Changes from same period of the previous year	FY2015.3 4Q previous projections	Changes from the previous projection
Net Sales	**101.6**	**106.8**	**+5.1%**	107.0	-0.2%
Operating Income (Operating Income Ratio)	**3.2** (3.2%)	**4.3** (4.0%)	**+33.6%**	4.0 (3.7%)	+7.5%
Ordinary Income (Ordinary Income Ratio)	**3.8** (3.7%)	**4.0** (3.7%)	**+5.2%**	4.0 (3.7%)	-
Net Income (Net Income Ratio)	**3.9** (3.8%)	**0.3** (0.3%)	**-92.2%**	0.5 (0.5%)	-40.0%

Exchange Rate (yen)

Net Sales	**US$**	**103**	**115**	105
	EUR	**141**	**140**	135
Operating Income	**US$**	**103**	**115**	105
	EUR	**137**	**140**	135

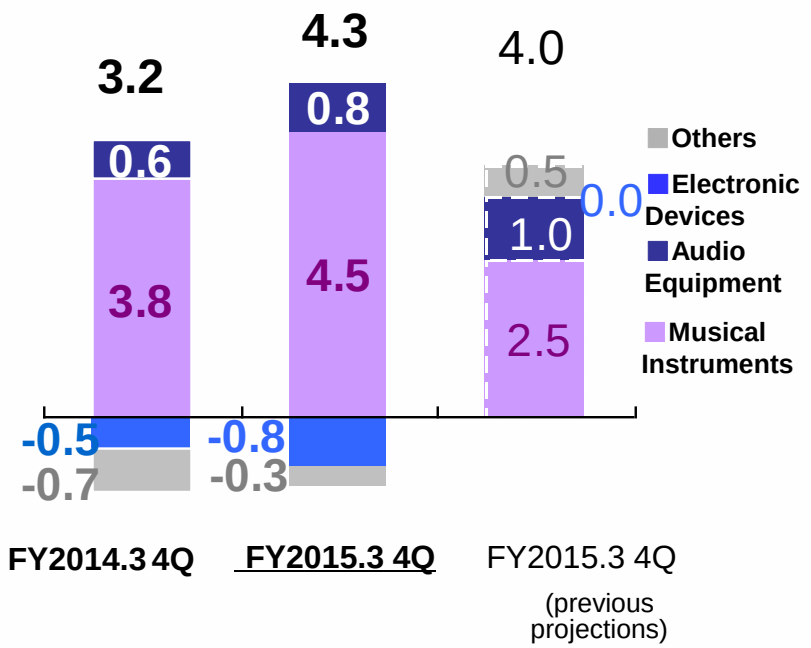
Forecast for Performance by Business Segment in the Fourth Quarter of FY2015.3 (Three Months)

Net Sales



Operating Income

(Billions of yen)



Impact of Exchange Rates

	Net Sales	Operating Income
Year-on-Year	**+¥3.9 billion** (musical instruments +¥2.6 billion, audio equipment +¥1.2 billion, electronic devices +¥0.1 billion)	**+¥0.5 billion** (musical instruments +¥0.5 billion)
Versus previous projections	**+¥4.4 billion** (musical instruments +¥2.9 billion, audio equipment +¥1.4 billion)	**+¥0.9 billion** (musical instruments +¥0.7 billion, audio equipment +¥0.2 billion)

Third Quarter Non-Operating Income/Loss & Extraordinary Income/Loss (Nine Months)

(Billions of yen)

	FY2014.3 1-3Q	FY2015.3 1-3Q	FY2015.3 1-3Q previous projections
Non-Operating Income/Loss			
Net financial income	1.0	1.3	1.2
Other	-1.5	-1.0	-2.2
Total	-0.5	0.3	-1.0
Extraordinary Income/Loss			
Income from (loss on) disposal of fixed assets	0.4	0	-0.1
Other	-0.2	-0.7	0.1
Total	0.2	-0.7	0
Income Taxes and Other Expenses			
Income taxes -current	4.9	5.7	5.6
Income taxes -deferred	-1.6	-1.3	-0.2
Minority interests in income	0.2	0.2	0.1
Total	3.5	4.6	5.5

Patent income +¥0.6

-Gain on sales of investment securities +¥1.0
-Business structural reform expenses -¥0.6
-Expenses related to YMMI production closure etc. -¥0.6

Full Year Non-Operating Income/Loss & Extraordinary Income/Loss

(Billions of yen)

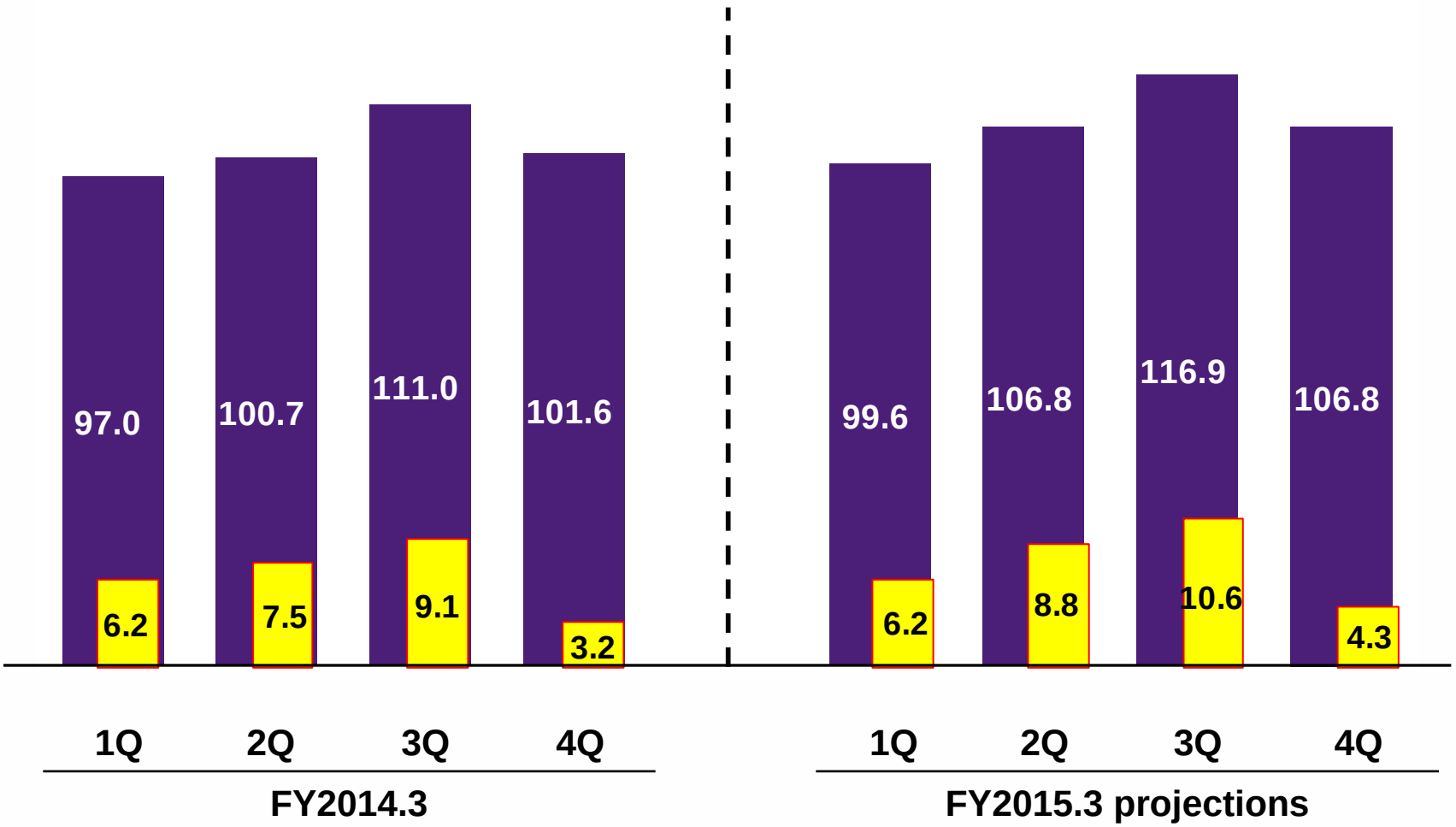
	FY2014.3 full year	FY2015.3 full year projections	FY2015.3 full year previous projections
Non-Operating Income/Loss			
Net financial income	2.6	2.2	1.8
Other	-2.5	-2.2	-2.8
Total	0.1	0	-1.0
Extraordinary Income/Loss			
Income from (loss on) disposal of fixed assets	0.3	0	-0.1
Other	-0.6	-3.0	-1.9
Total	-0.3	-3.0	-2.0
Income Taxes and Other Expenses			
Income taxes -current	5.8	7.3	6.8
Income taxes -deferred	-3.1	-1.5	0.1
Minority interests in income	0.2	0.2	0.1
Total	2.9	6.0	7.0

-Gain on sales of investment securities +¥1.0
-Business structural reform expenses -¥0.9
-Expenses related to YMMI production closure etc. -¥0.7

-Business structural reform expenses -¥1.8
-Other extraordinary loss -¥1.2

Quarterly Sales and Income

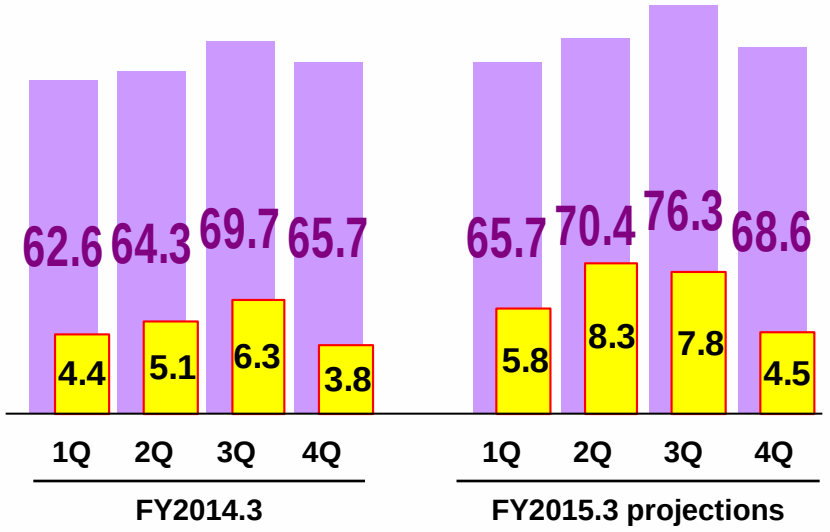
(Billions of yen)



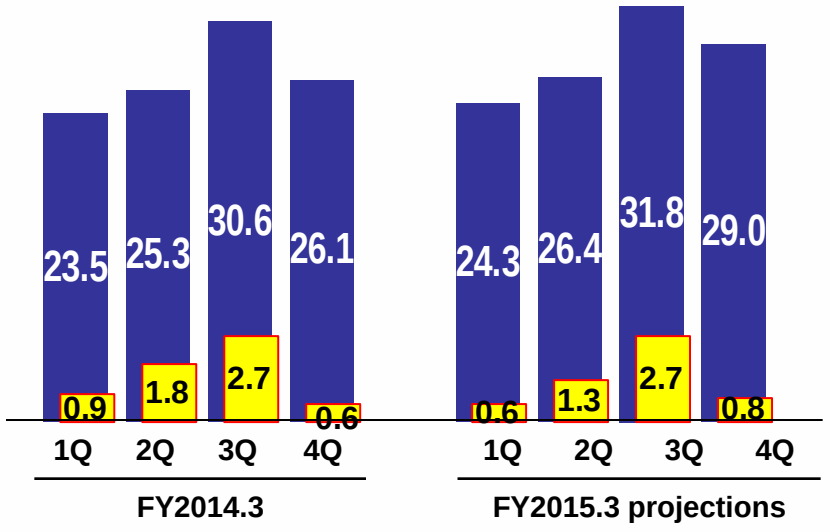
Quarterly Sales and Income by Segment

(Billions of yen)

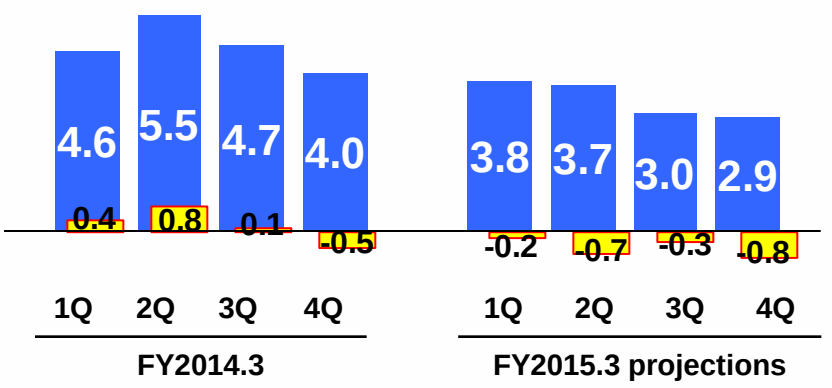
Musical Instruments



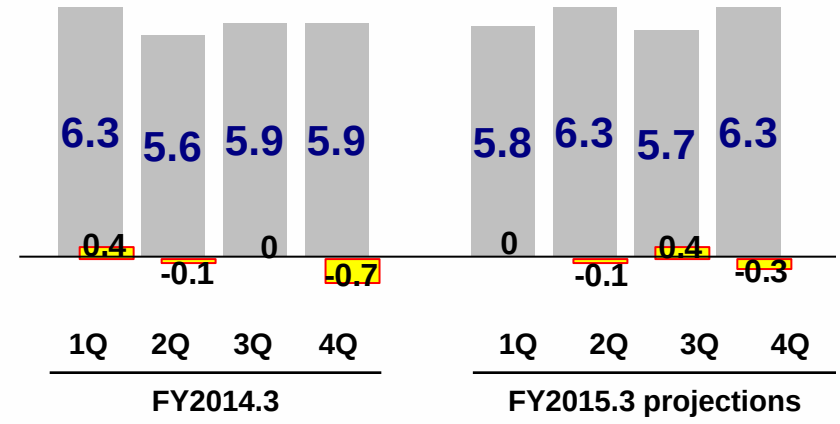
Audio Equipment



Electronic Devices



Others



In this report, the figures forecast for the Company's future performance have been calculated on the basis of information currently available to Yamaha and the Yamaha Group. Forecasts are, therefore, subject to risks and uncertainties.

Accordingly, actual performance may differ greatly from our predictions depending on changes in the economic conditions surrounding our business, demand trends, and the value of key currencies, such as the U.S. dollar and the euro.