

Second Quarter of FY2017.3 Performance Outline

YAMAHA CORPORATION

November 7, 2016

(Billions of yen)

	Six Months Results Ended Sept. 30, 2016 FY2017.3	Six Months Results Ended Sept. 30, 2015 FY2016.3	Previous Projections (Full Year) (announced on August 2, 2016) FY2017.3	Projections (Full Year) FY2017.3	Results (Previous Year) FY2016.3
Net Sales	199.2	217.5	411.0	402.0	435.5
Japan Sales	67.6 (33.9%)	73.1 (33.6%)	140.2 (34.1%)	139.6 (34.7%)	145.0 (33.3%)
Overseas Sales	131.6 (66.1%)	144.3 (66.4%)	270.8 (65.9%)	262.4 (65.3%)	290.5 (66.7%)
Operating Income	24.6 (12.4%)	21.2 (9.8%)	42.0 (10.2%)	42.0 (10.4%)	40.7 (9.3%)
Ordinary Income	24.5 (12.3%)	22.2 (10.2%)	42.0 (10.2%)	42.0 (10.4%)	40.9 (9.4%)
Net Income ^(*)	27.2 (13.7%)	17.4 (8.0%)	45.5 (11.1%)	41.0 (10.2%)	32.6 (7.5%)
Currency Exchange Rate (Settlement Rate) (=yen) ^(*)	107/US\$ 123/EUR	122/US\$ 134/EUR	106/US\$ 120/EUR	104/US\$ ^(*) 118/EUR	121/US\$ 134/EUR
ROE ^(*)	17.7%	10.2%	14.9%	13.3%	10.1%
ROA ^(*)	11.5%	6.6%	9.8%	8.8%	6.5%
Earnings per Share	145.1 yen	89.9 yen	242.6 yen	218.7 yen	168.9 yen
Capital Expenditures (Depreciation Expenses)	6.3 (5.4)	4.8 (6.1)	20.7 (11.7)	19.6 (11.3)	11.2 (12.7)
R&D Expenses	11.9	12.2	25.6	25.3	24.8
Cash Flows					
Operating Activities	8.1	8.2	43.0	43.0	42.4
Investing Activities	-6.3	-5.9	-21.0	-20.0	0.6
Free Cash Flow	1.8	2.3	22.0	23.0	43.0
Inventories at End of Period	94.5	99.3	86.3	84.8	91.9
Number of Employees					
Japan	6,149	6,480	6,200	6,100	6,149
Overseas	14,384	13,822	14,600	14,600	14,199
Total ^(*) (Changes from the changes in the scope of consolidation)	20,533 (-124)	20,302 (23)	20,800 (-)	20,700 (-)	20,348 (-102)
Temporary Staff (average during the period)	8,087	8,227	7,800	7,700	7,990
Sales by Business Segment					
Musical Instruments ^(*)	128.5 (64.5%)	142.4 (65.5%)	258.0 (62.8%)	254.0 (63.2%)	277.4 (63.7%)
Audio Equipment ^(*)	53.0 (26.6%)	55.3 (25.4%)	116.0 (28.2%)	113.0 (28.1%)	120.9 (27.8%)
Others ^(*)	17.7 (8.9%)	19.8 (9.1%)	37.0 (9.0%)	35.0 (8.7%)	37.2 (8.5%)
Operating Income by Business Segment					
Musical Instruments ^(*)	18.8	16.8	32.5	32.5	31.7
Audio Equipment ^(*)	4.8	3.5	9.0	9.0	8.5
Others ^(*)	1.0	1.0	0.5	0.5	0.4

Non-Consolidated Basis

Net Sales	118.7	123.0	232.8
Operating Income	10.7 (9.0%)	8.8 (7.2%)	15.2 (6.5%)
Ordinary Income	18.5 (15.6%)	20.4 (16.6%)	27.1 (11.7%)
Net Income	23.4 (9.7%)	18.9 (15.4%)	20.2 (8.7%)

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

* 2, 8 Currency exchange rate is the export and import transaction rate applied to profit calculation. 2H Currency Exchange Rates US\$=100JPY EUR=110JPY

* 3, 4 The ROE and ROA for the interim period are calculated on an annually adjusted basis.

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

* 6 Effective in FY2017.3, soundproof room business which was previously reported as a part of the musical instrument segment has now been reported as a part of the audio equipment segment. The figures for FY2016.3 reflect the new segment accordingly.

* 7 Effective in FY2017.3, others segment includes electronic devices segment which was closed at the end of FY2016.3. The figures for FY2016.3 has been adjusted to conform to current year disclosure for reference only.

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.