For Immediate Release

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

Outline of the Consolidated Financial Results through the Third Quarter (Nine Months) of the Fiscal Year Ending March 31, 2016 (FY2016.3), Outlook for Consolidated Performance for the Full Fiscal Year, and Revision of the Forecast for Dividends

■ Consolidated Performance through the Third Quarter (Nine Months)

Year-on-Year Increases in Net Sales and Income

Consolidated net sales through the third quarter of FY2016.3 increased ¥12.5 billion, or 3.9% from the same period of the previous year, to ¥335.8 billion. By business segment, all segments, with the exception of electronic devices, reported increases in sales.

Consolidated operating income through the third quarter rose ¥11.2 billion year on year, or 43.6%, to ¥36.9 billion. Ordinary income increased ¥11.6 billion, or 44.9%, to ¥37.6 billion, and net income attributable to owners of the parent increased ¥9.8 billion, or 47.3%, to ¥30.5 billion, thus showing major gains in all income figures.

Note that during the period under review, the Company reported an extraordinary loss of ¥4.5 billion due to the immediate amortization of goodwill related to consolidated subsidiary Line 6, Inc. and its consolidated subsidiaries.

➢ 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 ¥216.7 billion (+2.0%) and Operating Income of ¥27.8 billion (+26.6%)

Sales of all musical instruments groups expanded, with the exception of Electones™, whose sales were strong in the same period of the previous year due to new product launches.

Sales of acoustic pianos showed particularly strong expansion in China, and, among digital musical instruments, sales of digital pianos and portable keyboards increased in all regions. Sales of wind instruments increased in North America, Japan, and all other regions, while sales of guitars expanded mainly in Europe and China.

Sales in this segment as a whole rose ¥4.4 billion (+2.0%), to ¥216.7 billion, despite a ¥8.4 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) due to favorable musical instrument sales. Operating income increased ¥5.8 billion (+26.6%), to ¥27.8 billion.

Audio Equipment

Sales of ¥90.6 billion (+9.8%) and Operating Income of ¥7.8 billion (+68.5%)

In the audio products business, although sales were weak in the first quarter, they expanded in the second quarter and onward primarily due to overseas sales, and increased year on year in the third quarter. Sales in the professional audio equipment business were strong and continued to rise at two-digit levels. 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 ¥8.1 billion (+9.8%), to ¥90.6 billion. Operating income expanded ¥3.2 billion (+68.5%), to ¥7.8 billion.

Electronic Devices

Sales of ¥10.5 billion (–0.4%) and Operating Income of ¥0.6 billion (compared with an operating loss of ¥1.2 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 this segment remained virtually level with the same period of the previous year, due to the contributions of higher sales of LSIs for amusement equipment through the second quarter.

Sales for this segment as a whole decreased ¥40 million, or 0.4%, to ¥10.5 billion. Operating income moved into the black and amounted to ¥0.6 billion (compared with an operating loss of ¥1.2 billion in the same period of the previous year).

Others

Sales of ¥17.9 billion (+0.7%) and Operating Income of ¥0.7 billion (+135.9%)

In the others business segment, shipments of FA (factory automation) equipment increased, while sales of the golf products and resort businesses held firm. These strong performances offset the decline in turnover in the automobile interior wood components business, and sales of this segment as a whole were virtually level with the same period of the previous year.

As a consequence, sales of this segment as a whole increased ¥0.1 billion (+0.7%), to ¥17.9 billion. Operating income rose ¥0.4 billion (+135.9%) and amounted to ¥0.7 billion.

■ 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 October 30, 2015, called for net sales of ¥437.0 billion (+1.1%), 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%).

In the revised consolidated outlook for the full fiscal year, the forecast for net sales remains unchanged, but forecasts for income have been revised upward. The current forecasts call for operating income of ¥41.0 billion (+36.1%), ordinary income of ¥41.5 billion (+32.9%), and net income attributable to owners of the parent of ¥34.5 billion (+38.4%).

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.

■ Revision of the Forecast for Dividends

Taking account of the forecast for consolidated performance announced today, the forecast for the year-end dividend has been revised from ¥18.0 to ¥26.0 per share. As a result, the forecast for the total dividend per share for the full fiscal year is hereby revised from ¥36.0 to ¥44.0 per share.

Notes:

1. Sales and income/loss figures in the text above have, in principle, been rounded to the nearest ¥0.1 billion.
2. 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).

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Third Quarter of FY2016.3 Performance Outline

YAMAHA CORPORATION

February 4, 2016

(billions of yen)

	Three Months Results Ended Dec. 31, 2014 FY2015.3	Three Months Results Ended Dec. 31, 2015 FY2016.3	Nine Months Results Ended Dec. 31, 2014 FY2015.3	Nine Months Results Ended Dec. 31, 2015 FY2016.3	Results (Previous Year) FY2015.3	Projections (Full Year) FY2016.3	Previous Projections (Full Year) (announced on Oct. 30, 2015) FY2016.3
Net Sales	116.9	118.3	323.2	335.8	432.2	437.0	437.0
Japan Sales	39.3 (33.6%)	34.2 (28.9%)	117.8 (36.5%)	107.4 (32.0%)	160.4 (37.1%)	144.2 (33.0%)	144.9 (33.2%)
Overseas Sales	77.6 (66.4%)	84.1 (71.1%)	205.4 (63.5%)	228.4 (68.0%)	271.8 (62.9%)	292.8 (67.0%)	292.1 (66.8%)
Operating Income	10.6 (9.1%)	15.7 (13.3%)	25.7 (8.0%)	36.9 (11.0%)	30.1 (7.0%)	41.0 (9.4%)	37.0 (8.5%)
Ordinary Income	10.9 (9.3%)	15.4 (13.0%)	26.0 (8.0%)	37.6 (11.2%)	31.2 (7.2%)	41.5 (9.5%)	37.5 (8.6%)
Net Income (*1)	9.9 (8.5%)	13.1 (11.1%)	20.7 (6.4%)	30.5 (9.1%)	24.9 (5.8%)	34.5 (7.9%)	29.0 (6.6%)
Currency Exchange Rate (Settlement Rate) (=yen)	112/US$ 138/EUR	121/US$ 135/EUR	105/US$ 140/EUR	122/US$ 134/EUR	109/US$ 141/EUR	121/US$ (*5) 134/EUR	121/US$ 132/EUR
ROE (*2)	12.7%	15.0%	9.2%	11.5%	8.1%	10.0%	8.3%
ROA (*3)	7.9%	9.9%	5.8%	7.6%	5.1%	6.6%	5.5%
Earnings per Share	51.2 yen	67.6 yen	106.9 yen	157.5 yen	128.8 yen	178.5 yen	149.8 yen
Capital Expenditures	3.0	2.9	9.8	7.7	13.8	12.3	13.8
(Depreciation Expenses)	(3.3)	(3.2)	(9.2)	(9.4)	(12.6)	(12.7)	(12.9)
R&D Expenses	6.4	6.2	18.5	18.5	25.4	25.1	25.5
Cash Flows							
Operating Activities	6.6	12.7	13.1	20.9	31.7	41.0	39.5
Investing Activities	-2.1	4.9	-9.2	-1.0	-11.7	-2.0	-12.0
Total	4.5	17.6	3.9	19.9	20.0	39.0	27.5
Inventories at End of Period	-	-	94.9	95.2	87.8	92.1	90.3
Number of Employees							
Japan	-	-	6,617	6,266	6,541	6,200	6,200
Overseas	-	-	13,417	13,993	13,426	14,200	14,300
Total (*4)	-	-	20,034	20,259	19,967	20,400	20,500
(Changes from the changes in the scope of consolidation)	–	–	(261)	(-104)	(257)	(-100)	(-100)
Temporary Staff (average during the period)	-	-	7,565	8,143	7,860	7,900	7,700
Sales by Business Segment							
Musical Instruments	76.3 (65.3%)	73.6 (62.2%)	212.4 (65.7%)	216.7 (64.6%)	281.7 (65.2%)	281.5 (64.4%)	281.5 (64.4%)
Audio Equipment	31.8 (27.2%)	36.1 (30.5%)	82.5 (25.5%)	90.6 (27.0%)	112.8 (26.1%)	118.5 (27.1%)	118.5 (27.1%)
Electronic Devices	3.0 (2.6%)	2.6 (2.2%)	10.6 (3.3%)	10.5 (3.1%)	13.4 (3.1%)	13.0 (3.0%)	13.0 (3.0%)
Others	5.7 (4.9%)	6.0 (5.1%)	17.8 (5.5%)	17.9 (5.3%)	24.2 (5.6%)	24.0 (5.6%)	24.0 (5.5%)
Operating Income by Business Segment							
Musical Instruments	7.8	11.1	22.0	27.8	25.1	31.5	28.5
Audio Equipment	2.7	4.3	4.7	7.8	6.1	8.5	7.5
Electronic Devices	-0.3	-0.1	-1.2	0.6	-1.4	0.5	0.5
Others	0.4	0.4	0.3	0.7	0.4	0.5	0.5

Non-Consolidated Basis

Net Sales	55.0	59.1	180.8	182.1	233.7
Operating Income	2.3 (4.2%)	6.0 (10.2%)	9.9 (5.5%)	14.8 (8.1%)	10.5 (4.5%)
Ordinary Income	3.4 (6.2%)	6.3 (10.7%)	17.9 (9.9%)	26.7 (14.6%)	24.5 (10.5%)
Net Income	4.0 (7.3%)	1.1 (1.9%)	17.8 (9.9%)	20.1 (11.0%)	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 3Q are calculated on an annually adjusted basis.
＊4 Number of Employees = Number of full-time staff at end of the period
＊5 4Q 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.