YAMAHA
Make Waves

Analyst and Investor Briefing on FY2019.3

(Fiscal year ended March 2019.3)

May 10, 2019

Yamaha Corporation

FY2019.3 Full Year Highlights

Overview

Figures in parentheses are year-on-year comparisons

Performance in FY2019.3 (based on Japanese GAAP)

- Sales and income both increased year-on-year. Operating income and ordinary income reached record levels.
- Robust sales (up 1.0%) were driven by strength in the musical instruments segment.
- Operating income exceeded projections to reach ¥56.0 billion (up 14.7%), and the operating income ratio was also higher than expected, at 12.8% (up 1.5 percentage points).

Outlook

Forecasts for FY2020.3 (based on IFRS standards)

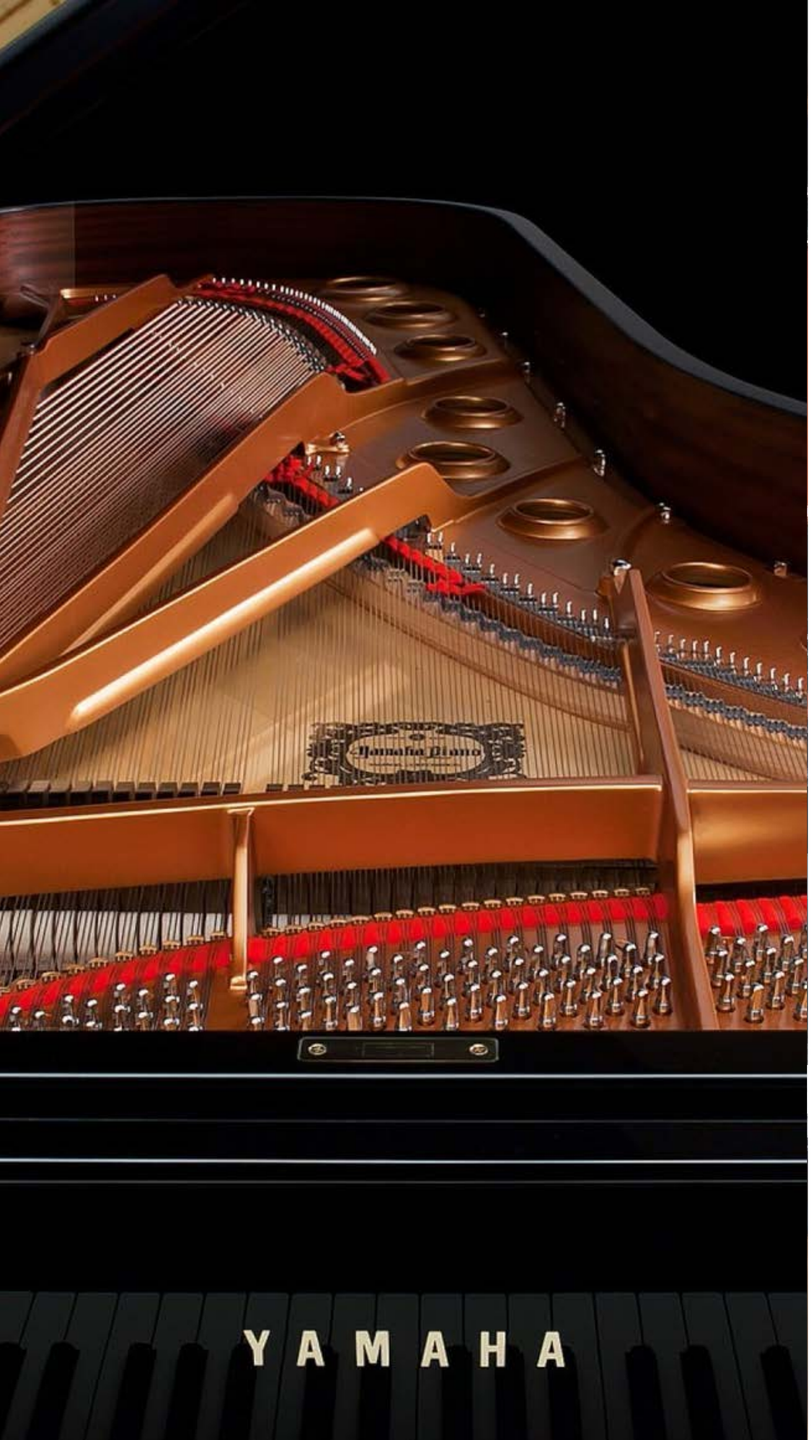
- Revenue and profit are projected to increase.
- Revenue are forecast to rise in all segments.
- The musical instruments and audio equipment segments are expected to drive core operating profit to ¥55.0 billion.

*The below figure is tentative and should be used for reference only

FY2019.3 IFRS tentative figure: core operating profit of ¥53.0 billion

Agenda

1. Performance Summary
2. Performance Outlook
3. Segment Overview & Updates
4. ESG
5. Other Financial Figures
6. Return to Shareholders



1. Performance Summary of FY2019.3 (Japanese GAAP)

FY2019.3 Summary (Japanese GAAP)

(billions of yen)

	FY2018.3	FY2019.3	Change (YoY)	YoY (%)	Previous projections for FY2019.3
Net Sales	433.0	**437.4**	+4.4	+1.0%*3	440.0
Operating Income (Operating Income Ratio)	48.8 (11.3%)	**56.0 (12.8%)**	+7.2	+14.7%	55.0 (12.5%)
Ordinary Income	49.2	**58.4**	+9.2	+18.7%	55.0
Net Income*1	54.4*2	**43.8**	-10.6	-19.5%	40.0

*3 +2.0% (Excluding the impact of exchange rate)

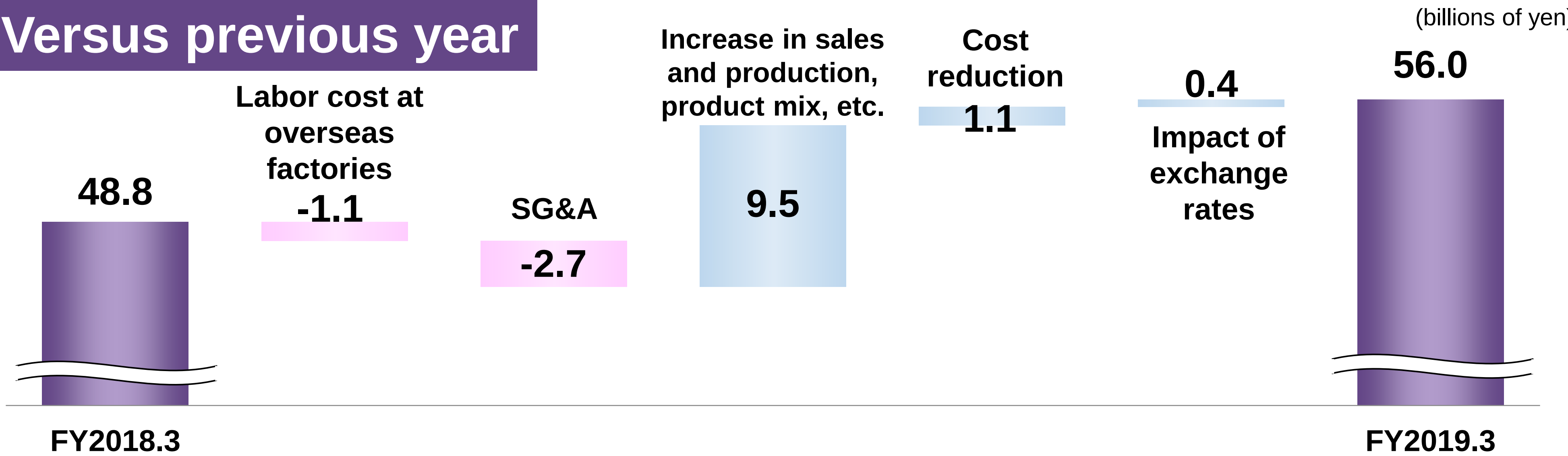
Exchange Rate (yen)

		FY2018.3	FY2019.3	Previous projections for FY2019.3
Net Sales (Average rate during the period)	**US $**	111	**111**	111
	EUR	130	**128**	128
Income (Settlement rate)	**US $**	111	**111**	111
	EUR	126	**131**	131

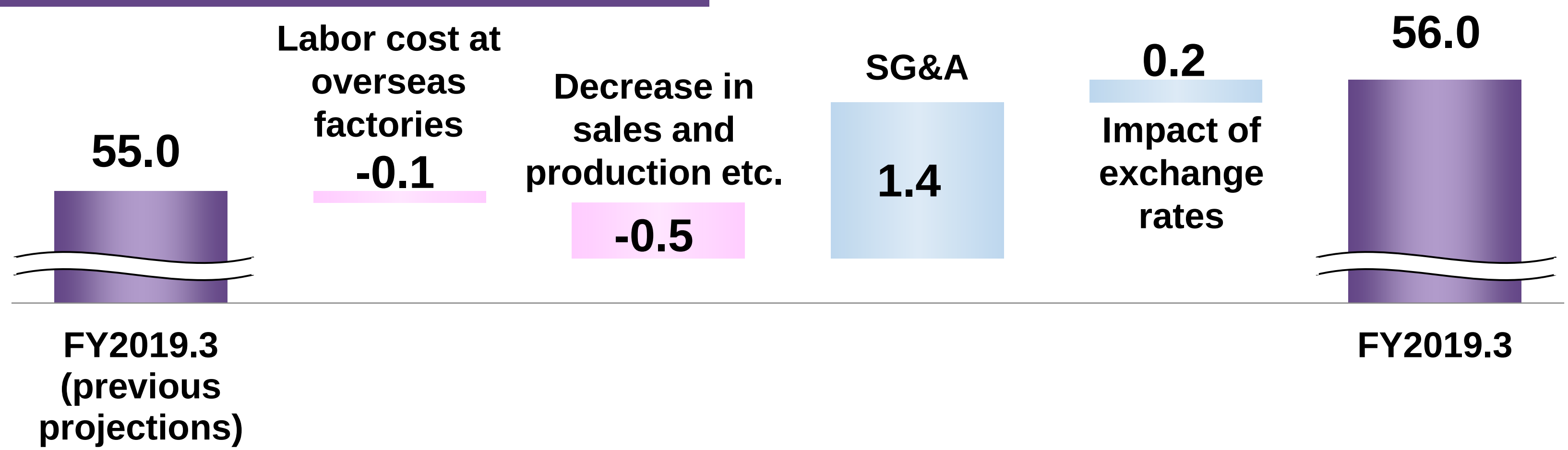
*1 Net income is presented as net income attributable to owners of parent on the consolidated financial statements.
*2 The figure includes gains from a partial sale of shares in Yamaha Motor Co., Ltd.

Operating Income Analysis (Japanese GAAP)

Versus previous year



Versus previous projections



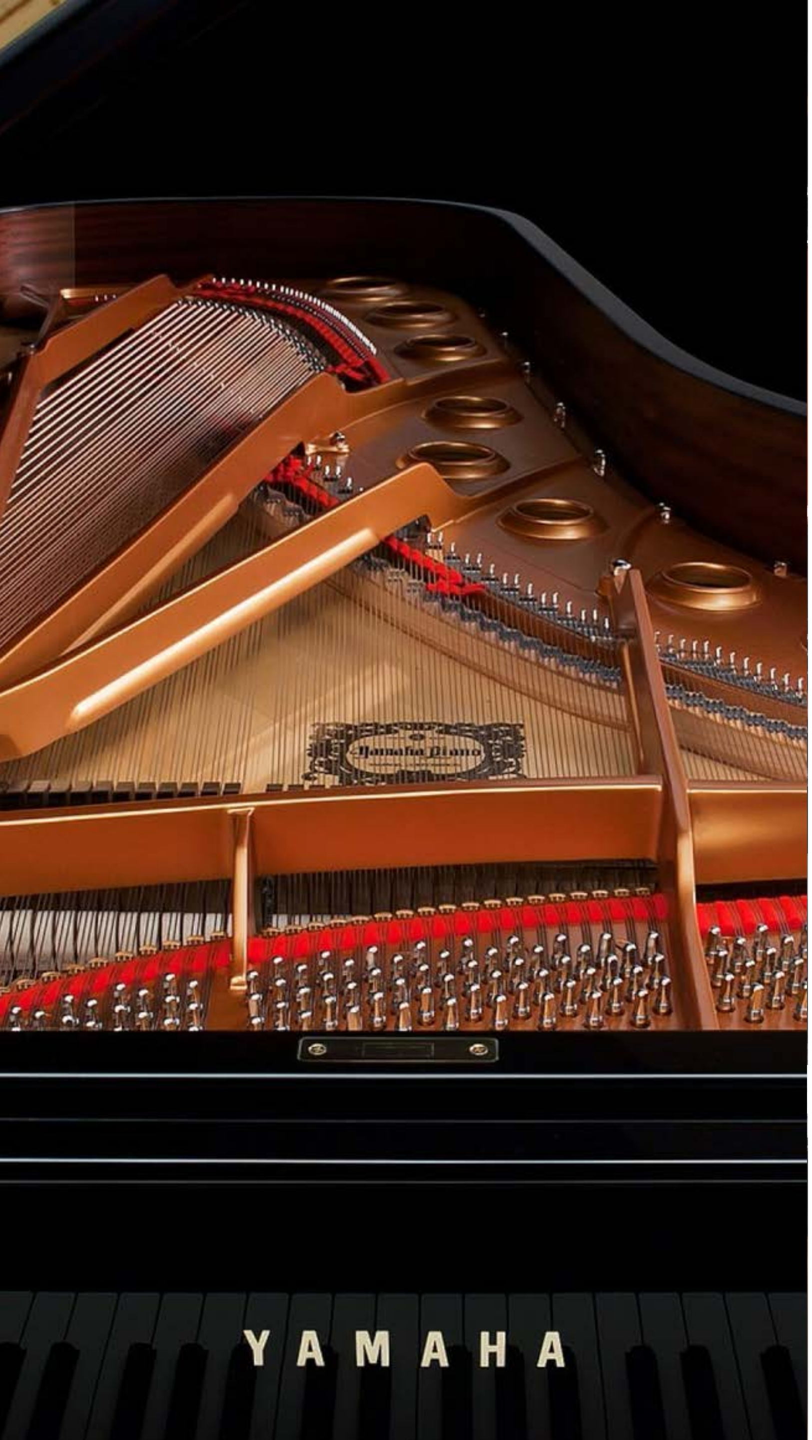
Performance by Business Segment (Japanese GAAP)

(billions of yen)

		FY2018.3	FY2019.3	Change	Exchange rate impact
Musical Instruments	Net Sales	274.5	282.0	+7.5	-2.8
	Operating Income	34.6	42.9	+8.3	+0.3
	Operating Income Ratio	12.6%	15.2%	+2.6P	
Audio Equipment	Net Sales	121.8	120.7	-1.1	-1.2
	Operating Income	10.7	10.6	-0.1	+0.2
	Operating Income Ratio	8.8%	8.8%	0P	
IMC*1 Business and Others	Net Sales	36.7	34.7	-2.0	0
	Operating Income	3.5	2.5	-1.0	0
	Operating Income Ratio	9.5%	7.1%	-2.4P	

*1 Industrial Machinery and Components

Impact on operating income resulting from revision in cost burden of new business development expenses:
+¥800 million for Musical Instruments and -¥800 million for Audio Equipment



2. Performance Outlook of FY2020.3 (IFRS standards)

FY2020.3 Outlook (IFRS standards)

(billions of yen)

		FY2019.3[*2]	FY2020.3 (projections)
Revenue		434.4	**444.0**
Core Operating Profit (Core Operating Profit Ratio)		53.0 (12.2%)	**55.0 (12.4%)**
Net Profit[*1]		40.2	**42.5**

Exchange Rate (yen)

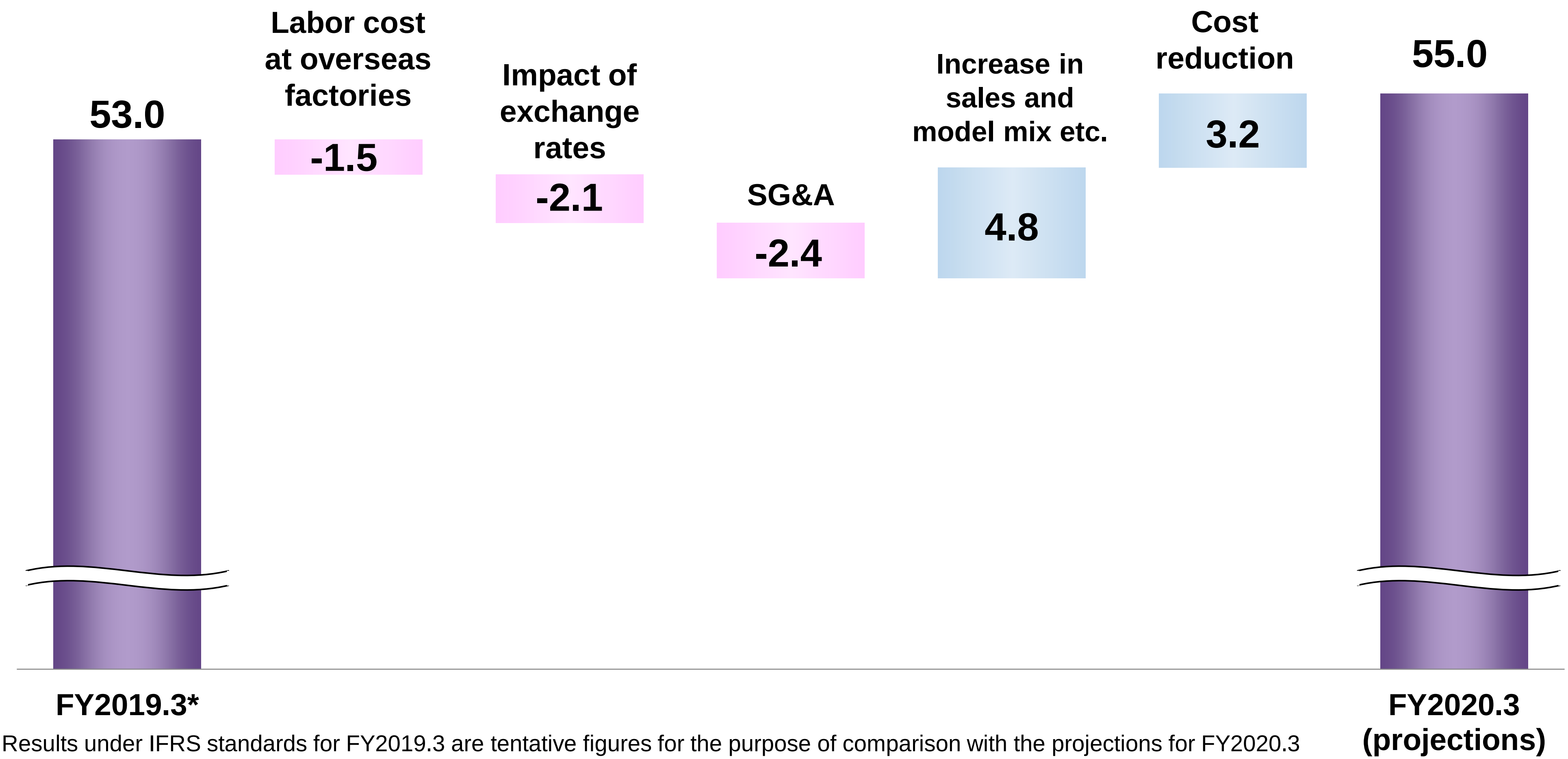
		FY2019.3	FY2020.3 (projections)
Revenue (Average rate during the period)	**US $**	111	**110**
	EUR	128	**125**
Profit (Settlement rate)	**US $**	111	**110**
	EUR	131	**125**

*1 Net profit is presented as profit attributable to owners of the parent on the consolidated financial statements.
*2 Results under IFRS standards for FY2019.3 are tentative figures for the purpose of comparison with the projections for FY2020.3 and are used for convenience and reference only.

Core Operating Profit Analysis (IFRS standards)

(billions of yen)

Versus previous year



* Results under IFRS standards for FY2019.3 are tentative figures for the purpose of comparison with the projections for FY2020.3 and are used for convenience and reference only.

Outlook by Business Segment (IFRS standards)

(billions of yen)

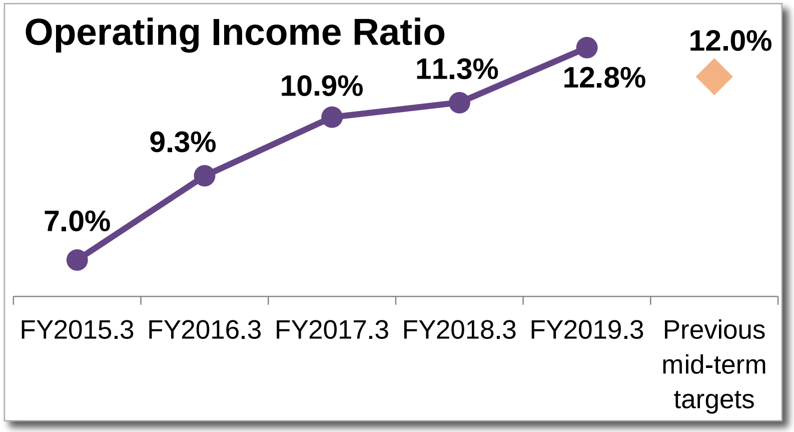
		FY2019.3[*2]	FY2020.3 (projections)
Musical Instruments	Revenue	279.9	285.5
	Core Operating Profit	40.8	43.0
	Core Operating Profit Ratio	14.6%	15.1%
Audio Equipment	Revenue	119.8	123.5
	Core Operating Profit	9.7	11.0
	Core Operating Profit Ratio	8.1%	8.9%
IMC[*1] Business and Others	Revenue	34.7	35.0
	Core Operating Profit	2.5	1.0
	Core Operating Profit Ratio	7.2%	2.9%

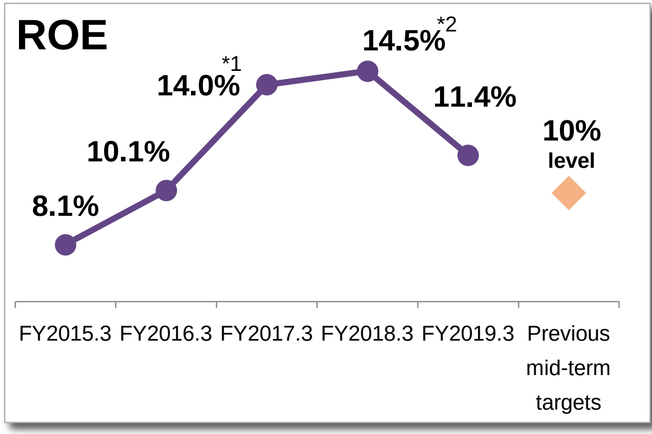
*1 Industrial Machinery and Components

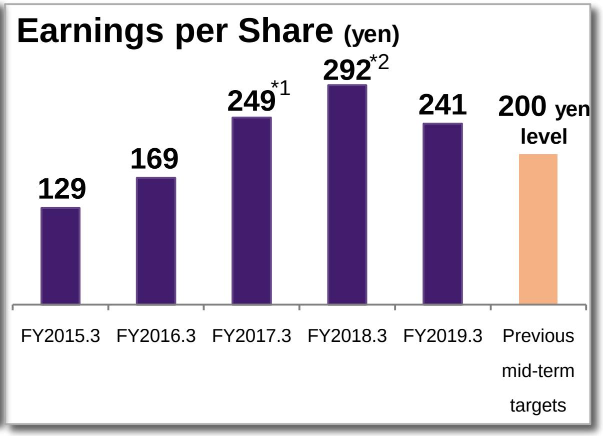
*2 Results under IFRS standards for FY2019.3 are tentative figures for the purpose of comparison with the projections for FY2020.3 and are used for convenience and reference only.

Key Management Figures

<Results (Japanese GAAP)>

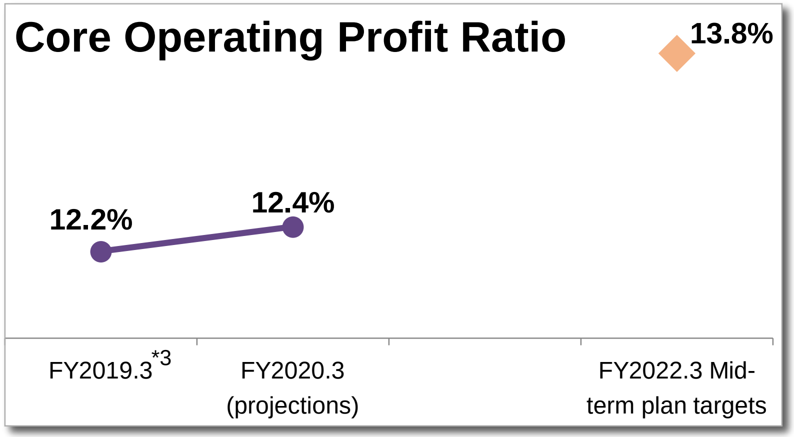


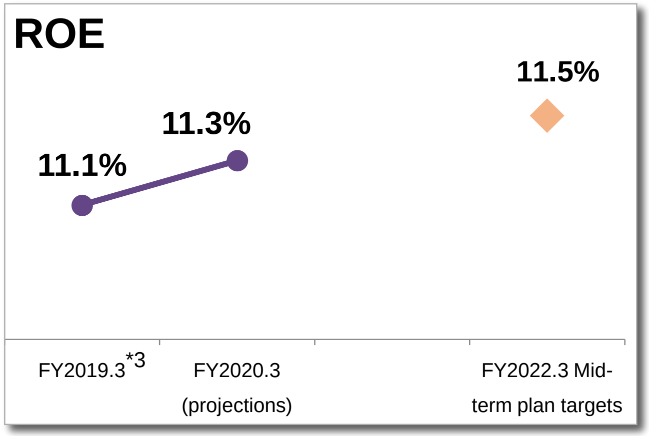


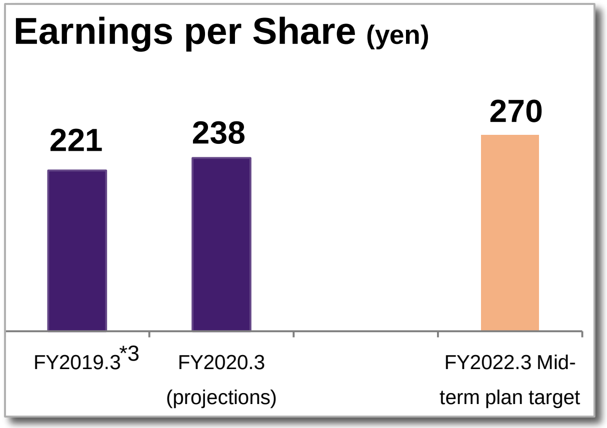


*1 Figure includes deferred tax assets
*2 Figure includes gains from a partial sale of shares in Yamaha Motor Co., Ltd.

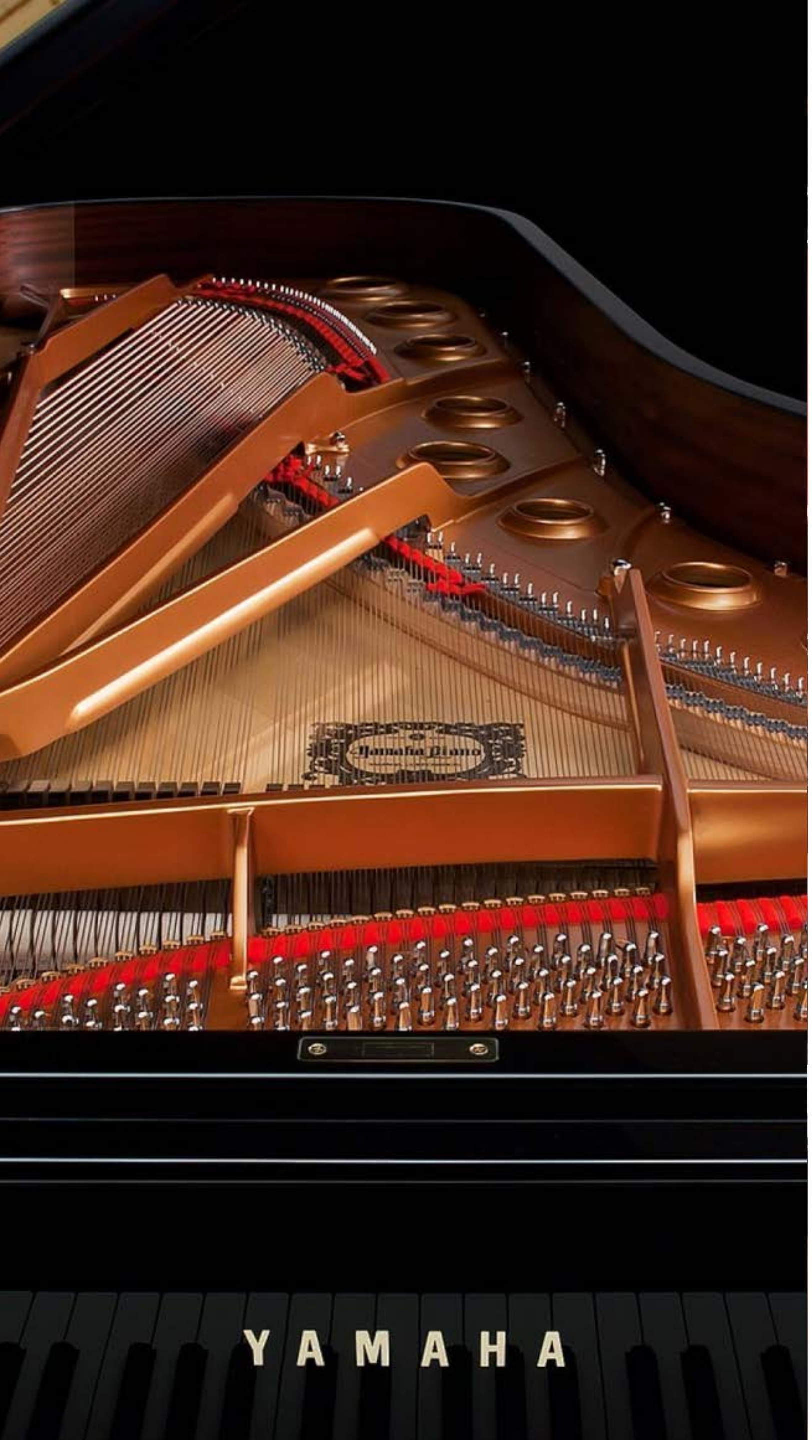
<Projections (IFRS standards)>





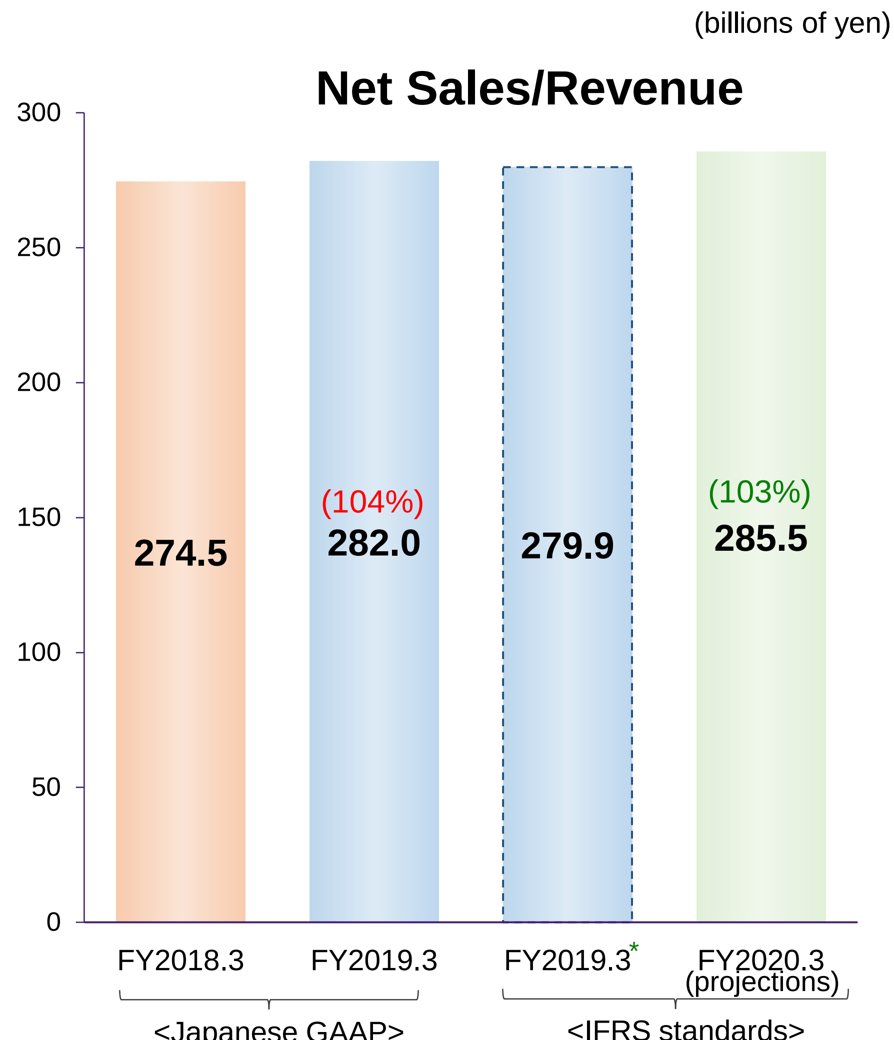


*3 Results under IFRS standards for FY2019.3 are tentative figures for the purpose of comparison with the projections for FY2020.3 and are used for convenience and reference only.



3. Segment Overview & Updates

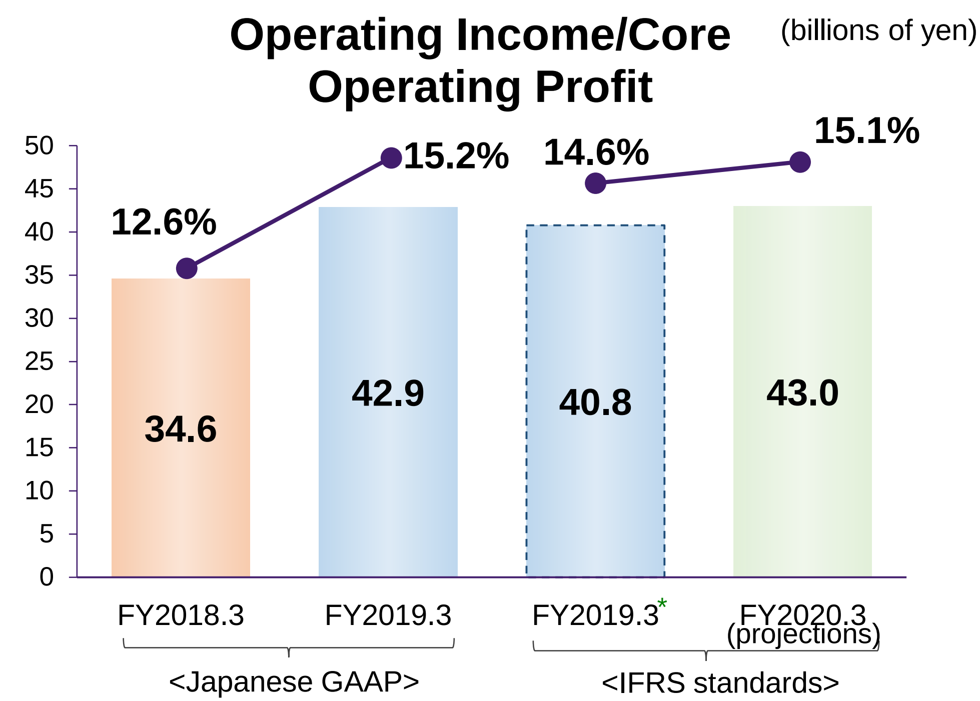
Musical Instruments Net Sales/Revenue and Operating Income/Core Operating Profit



Red figures show actual YoY changes discounting impact of exchange rates
Green figures show actual YoY changes, discounting the impact of exchange rates and the move to a new accounting standard

FY2019.3 Sales up year-on-year in all product categories
- **Pianos and digital pianos drove growth, and sales of wind instruments and string and percussion instruments were also robust**
- **China recorded double-digit growth, sales were brisk in North America and exceeded the previous year's results in emerging markets, but Japan and Europe were below projection**

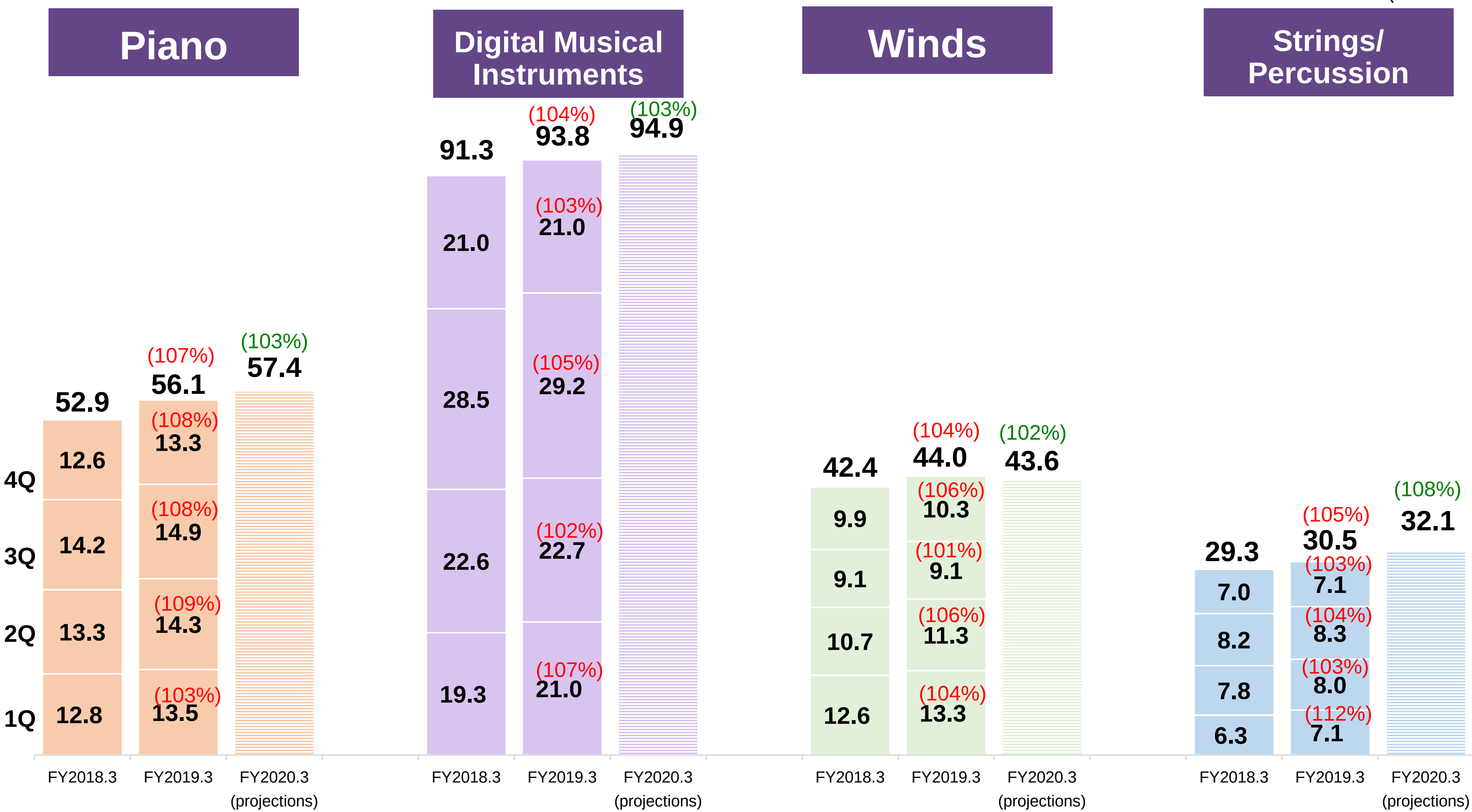
FY2020.3 Growth projected in all product categories
- **High revenue growth is anticipated in guitar, and revenue from pianos and digital pianos is also expected to grow strongly**
- **Double-digit growth is projected to continue in China. North America and emerging markets are expected to remain robust, and recovery is anticipated in Europe.**



* Results under IFRS standards for FY2019.3 are tentative figures for the purpose of comparison with the projections for FY2020.3 and are used for convenience and reference only.

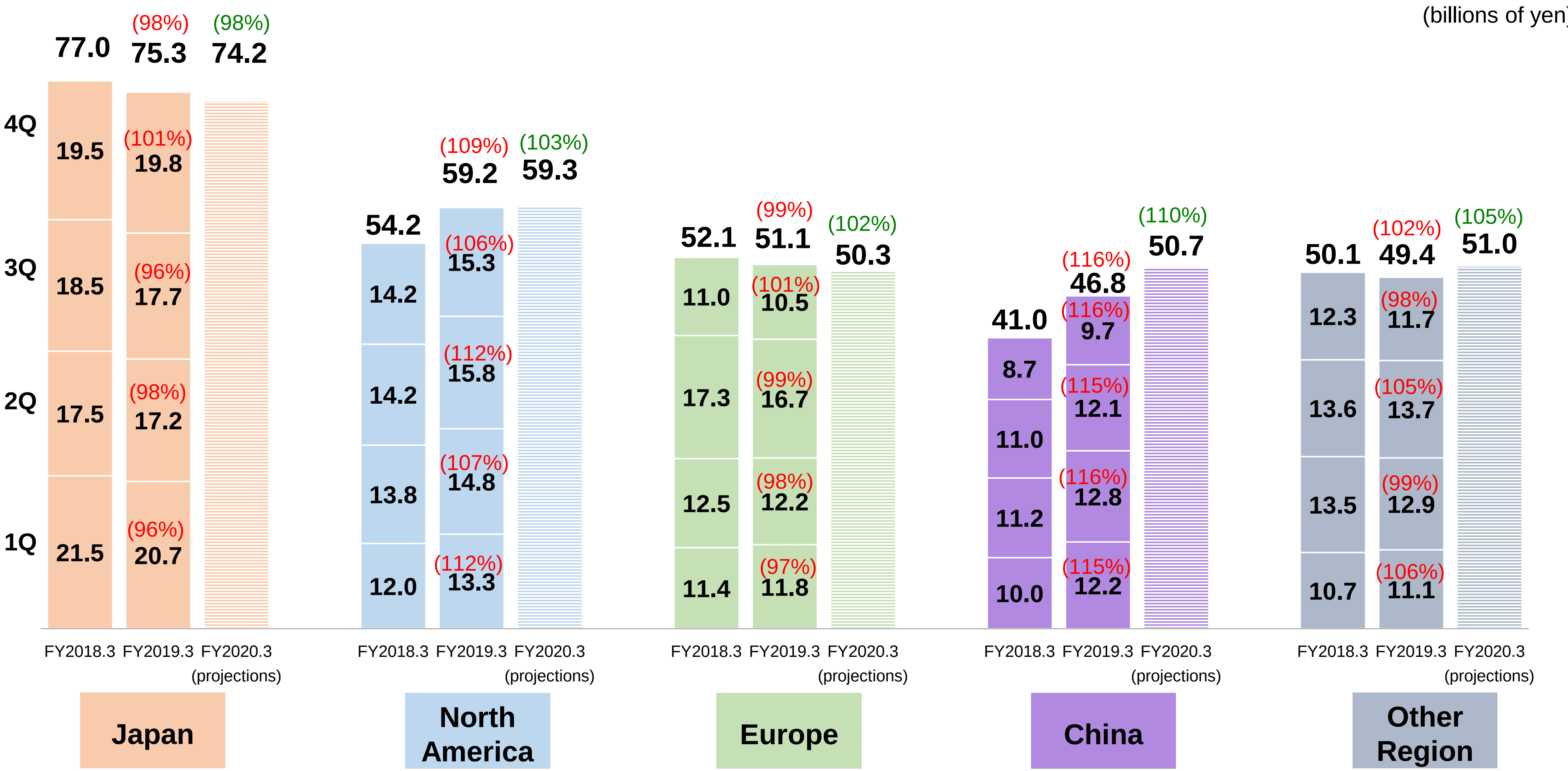
Musical Instruments Sales by Major Product Category

(billions of yen)



*FY2018.3 FY2019.3: Japanese GAAP, FY2020.3: IFRS standards
Red figures show actual YoY changes discounting impact of exchange rates
Green figures show actual YoY changes, discounting the impact of exchange rates and the move to a new accounting standard

Musical Instruments Sales by Region (includes software products and music schools)



*FY2018.3 FY2019.3: Japanese GAAP, FY2020.3: IFRS standards

Red figures show actual YoY changes discounting impact of exchange rates

Green figures show actual YoY changes, discounting the impact of exchange rates and the move to a new accounting standard

Develop Products with Distinctive Individuality

Distinctive product line-up fusing a wide range of technologies

Amalgamating acoustic and electronic technologies to create new customer value

TransAcoustic Piano **C3X-TA2**

Stage Piano **CP88**

Line 6 Compact Professional Guitar Processor
HX Stomp

Hybrid Piano **AvantGrand N1X**

Keytar ("Key"board + Gui"tar")
sonogenic SHS-500

Line 6 Guitar Wireless System
Relay G10S

Digital Piano **ARIUS YDP-164WA**

TransAcoustic Guitar **CG-TA**

Develop Products with Distinctive Individuality

Worldwide Acclaim for Yamaha Design

Clavinova **CSP Series** received the Red Dot Award: Product Design 2019, a prestigious German design award (March 2019)

Venova casual wind instrument received Grand Award with Special Mention in the DFA Design for Asia Awards in Hong Kong (November 2018)

GERMAN DESIGN AWARD WINNER 2019

NS-5000 premium bookshelf speaker, **WXC-50** wireless streaming preamp, and **Venova** casual wind instrument were all announced in the "Winner" category at the internationally prestigious German Design Award 2019 (November 2018)

VKB-100 VOCALOID keyboard was selected for the Good Design Best 100, sponsored by the Japan Institute of Design Promotion (October 2018)

GOOD DESIGN AWARD 2018 BEST 100

Yamaha Exhibited at International Design Events

Milan Design Week 2019, one of the world's largest design-related events (April 2019)

Furniture China 2018, one of Asia's largest international furniture expos (September 2018)

Achieve Growth in Emerging Markets -India

Sales Initiatives Aimed at the Next Growth Market After China

Exclusive model for Indian market

PSR-I455 portable keyboard (Indian model)
Equipped with tones of Indian folk instruments enabling players to perform distinctive Indian music

Sitar

Harmonium

Tabla

Establish production bases

New factory in India (Chennai) started shipments in April 2019

Supply products optimized for India, a vast market of 1.3 billion people, from a local base

Factory complex integrating manufacturing, sales, and technology development to supply cost-competitive entry level products through "India-optimal" planning, procurement, production, and distribution

Expand and strengthen sales networks

Create demand for musical instruments

New medium-term management plan:
Achieve 50% sales growth over 3 years in Indian market

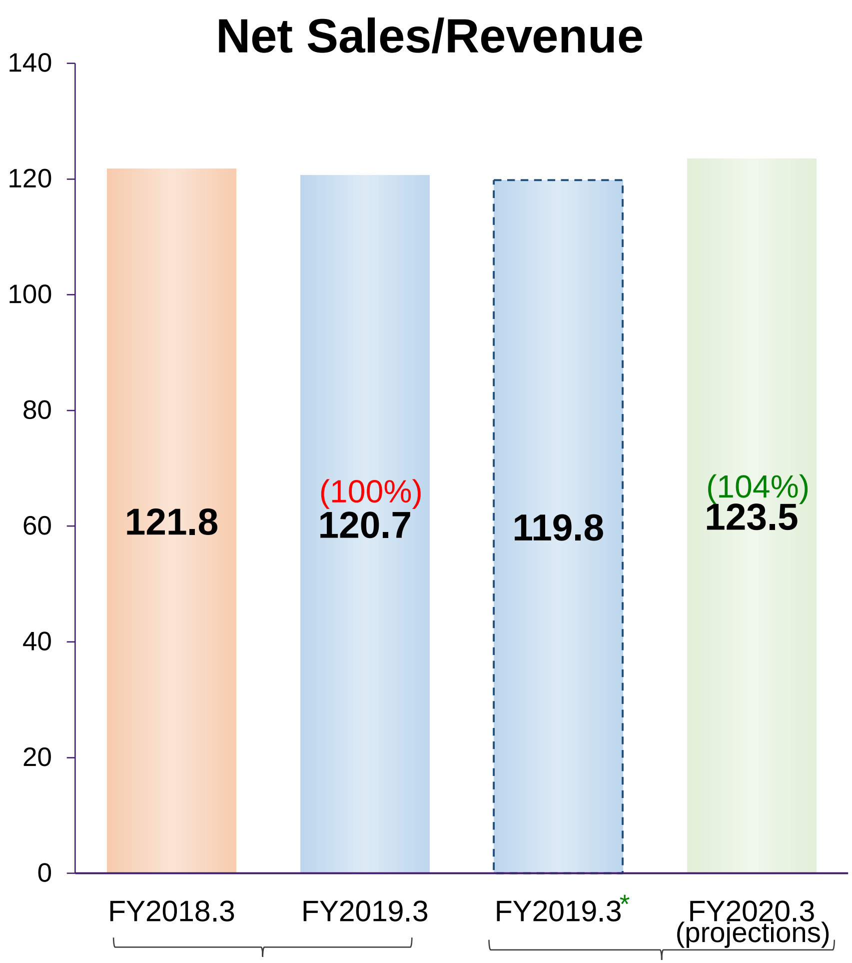
Audio Equipment Net Sales/Revenue and Operating Income/Core Operating Profit

FY2019.3 AV products faced headwinds, but PA equipment sales drove growth

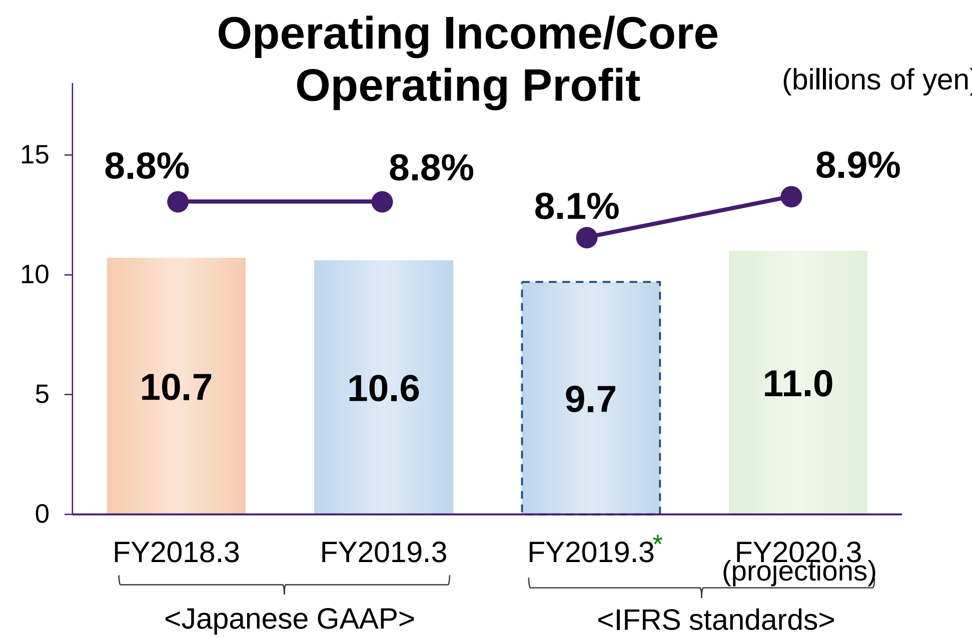
- Sales of AV products were down year-on-year due to delays in responding to changes in demand
- PA equipment sales increased year-on-year in all regions, and audio and engineering installation sales were also robust
- Although network equipment sold briskly, overall ICT device sales declined year-on-year due to the impact of lower OEM product sales

FY2020.3 Expansion projected due to growth in PA equipment category and rebounding revenue of AV products

- AV product revenue is expected to rally due to MusicCast sales, customer interface reinforcement, and the launch of new products
- In the PA equipment category, new products for musical instrument stores will be launched, and double-digit growth is anticipated in North America and emerging markets
- In the ICT category, although network equipment revenue is anticipated to grow, lower OEM product revenue is expected



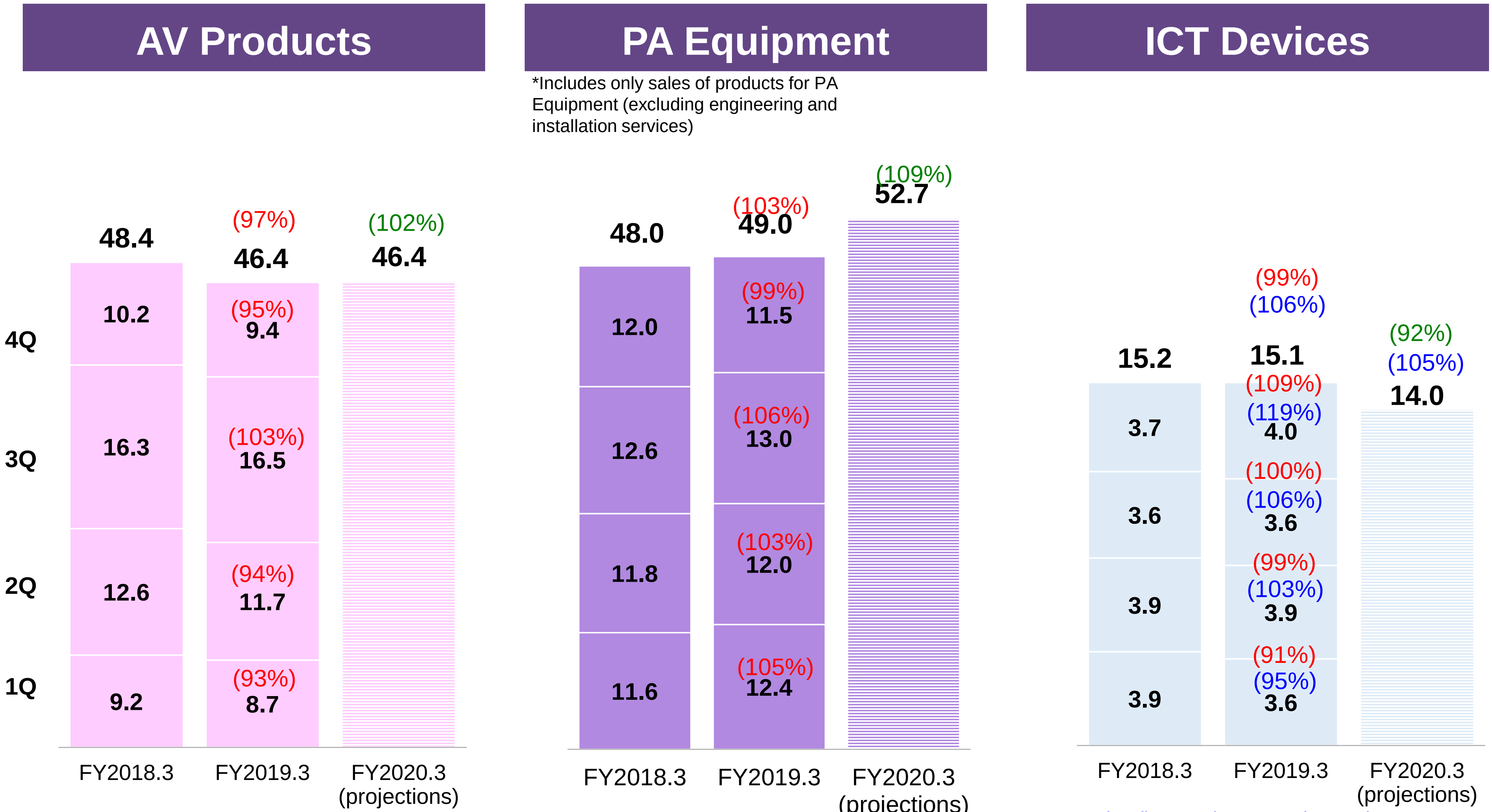
Red figures show actual YoY changes discounting impact of exchange rates
Green figures show actual YoY changes, discounting the impact of exchange rates and the move to a new accounting standard



* Results under IFRS standards for FY2019.3 are tentative figures for the purpose of comparison with the projections for FY2020.3 and are used for convenience and reference only.

Audio Equipment Sales by Major Product Category

(billions of yen)



*FY2018.3 FY2019.3: Japanese GAAP, FY2020.3: IFRS standards

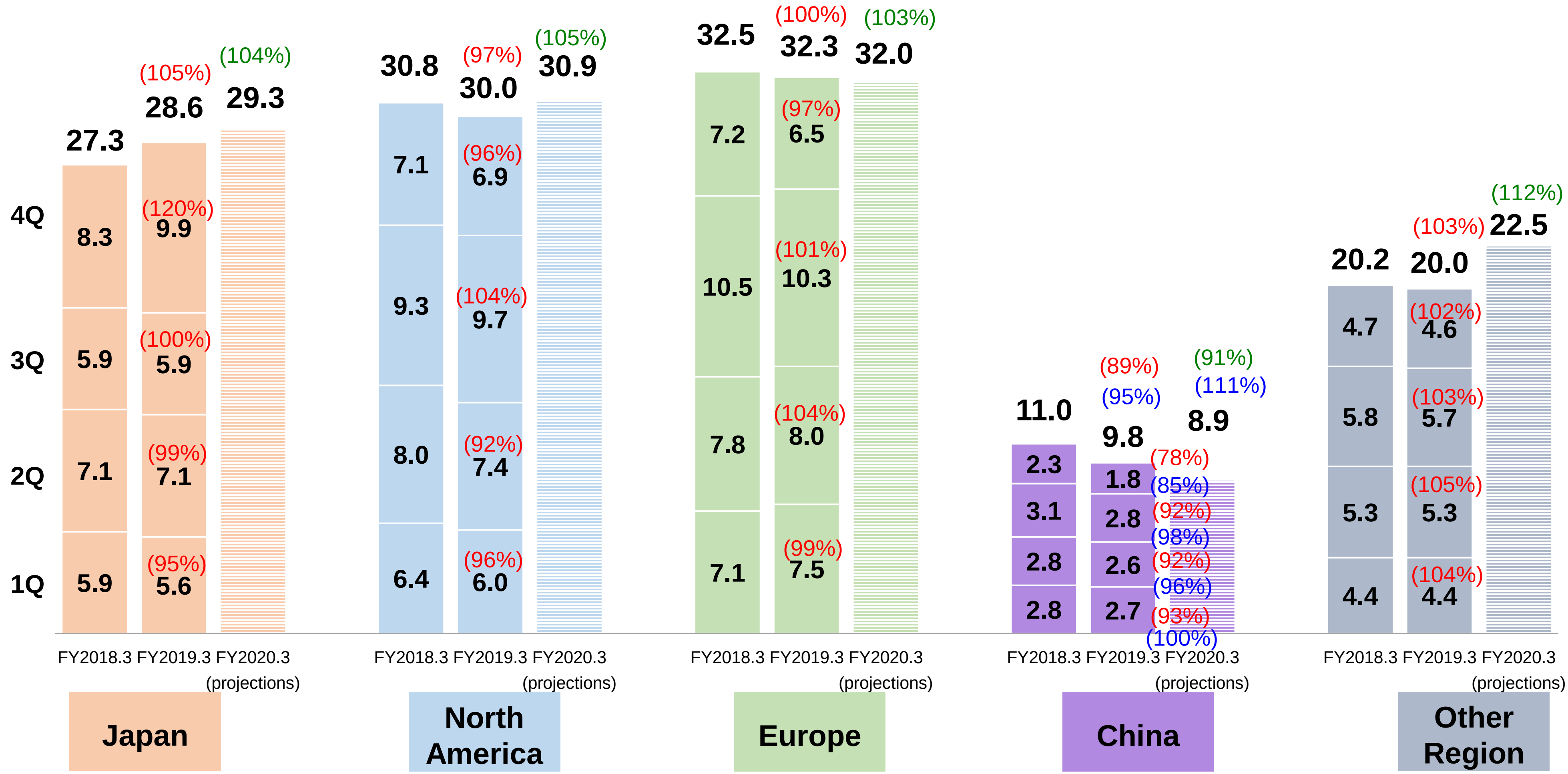
Red figures show actual YoY changes discounting impact of exchange rates

Green figures show actual YoY changes, discounting the impact of exchange rates and the move to a new accounting standard

Blue figures show actual YoY changes excluding the sales of OEM products

Audio Equipment Sales by Region

(billions of yen)



*FY2018.3 FY2019.3: Japanese GAAP, FY2020.3: IFRS standards

Red figures show actual YoY changes discounting impact of exchange rates

Green figures show actual YoY changes, discounting the impact of exchange rates and the move to a new accounting standard

Blue figures show actual YoY changes excluding the sales of OEM products

Develop Products with Distinctive Individuality

Flagship 5000 series Hi-Fi products

Aiming for new heights of musical expression

Turntable
GT-5000

Integrated Amplifier
C-5000

Integrated Amplifier
M-5000

Premium Bookshelf Speaker
NS-5000

Yamaha Group product development in the audio equipment field responds to a wide range of expectations

steinberg
Creativity First

Digital Audio Workstation Software **Cubase 10**

Audio Post-Production Software **Nuendo 10**

Music Notation Software **Dorico Pro** and **Dorico Elements**

USB Audio Interface **UR-RT4** and **UR-RT2**

Audio Interface **AXR4T**

NEXO

NEXO products supported sound systems for papal visit to Ireland

Develop Products with Distinctive Individuality

Yamaha awarded 1st place in the network device category of the Partner Satisfaction Survey 2019 published in the February 21, 2019 issue of Nikkei Computer magazine

Following on from the 1st place award in the network device category of the Customer Satisfaction Survey 2018-2019 published in the September 13, 2018 issue of Nikkei Computer magazine, Yamaha again placed 1st in the network device category of the Partner Satisfaction Survey 2019 published in the February 21, 2019 issue of Nikkei Computer magazine.

Partner Satisfaction Survey 2019
This award recognizes high rankings by business partners including system integrators and consulting firms.

Customer Satisfaction Survey 2018-2019
Yamaha's corporate clients rated the company highly for reliability, operability, and cost.

VPN Concentrator Router
RTX830

Simple L2 Switch
SWX2210-24G

Wireless LAN Access Point
WLX313

YAMAHA

IMC and Others Net Sales/Revenue and Operating Income/Core Operating Profit

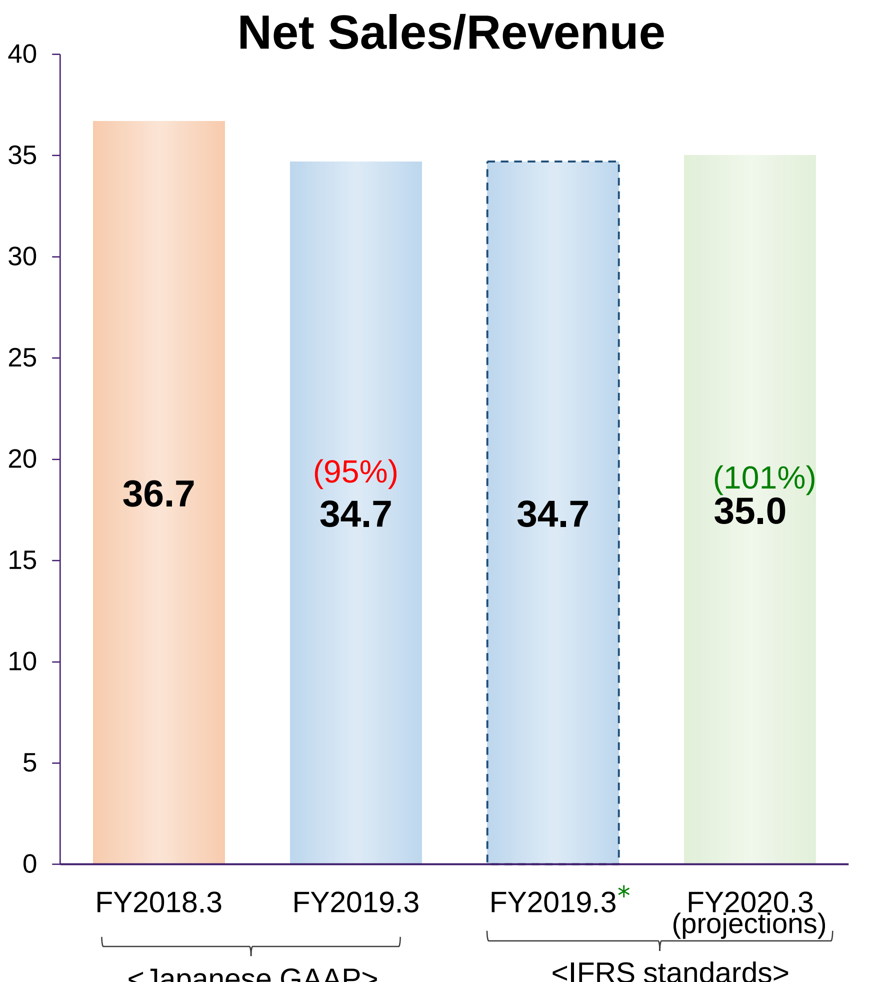
FY2019.3

- Electronic device sales declined year-on-year due to a fall in amusement equipment sales and slowing sales to China
- In the factory automation equipment category, sales of precision machinery and leak testers grew

FY2020.3

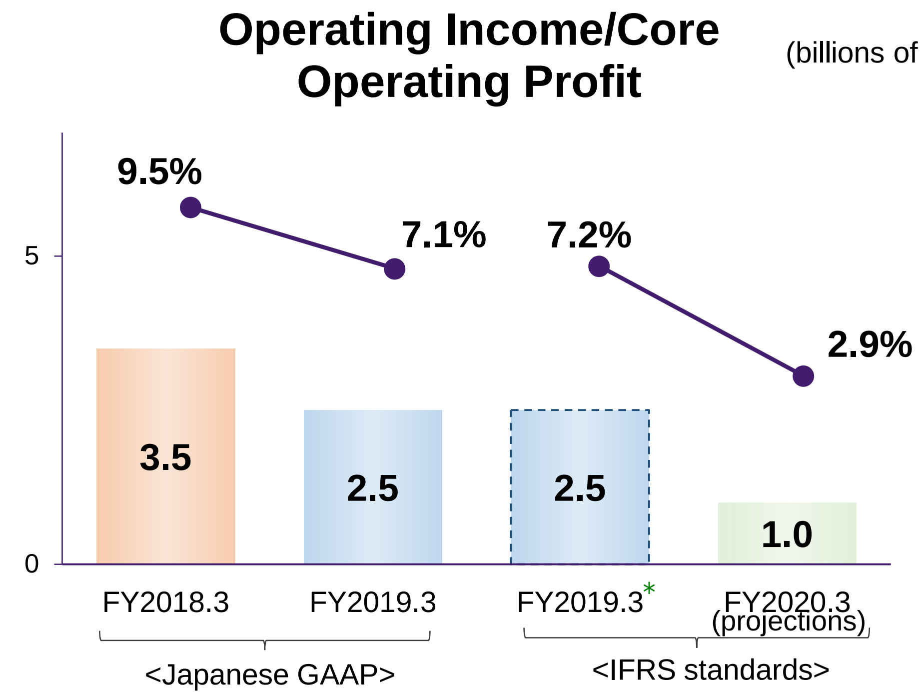
- In the electronic device category, revenue of in-vehicle communication modules and thermoelectric devices are projected to rise
- A temporary decline in profitability is predicted due to deteriorating market conditions for electronic devices and forward investment in a shift towards the in-vehicle device domain

(billions of yen)

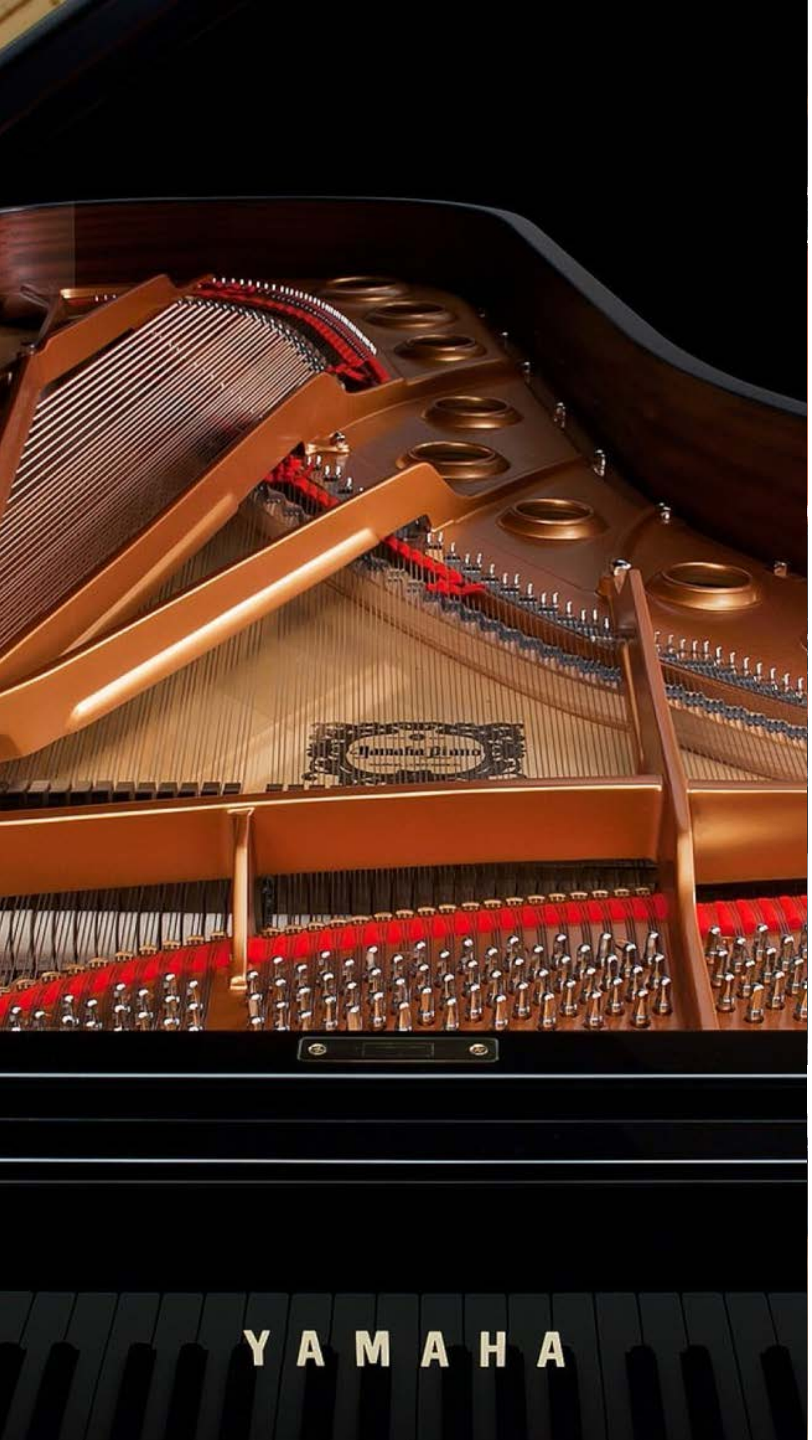


Red figures show actual YoY changes discounting impact of exchange rates
Green figures show actual YoY changes, discounting the impact of exchange rates and the move to a new accounting standard

(billions of yen)



* Results under IFRS standards for FY2019.3 are tentative figures for the purpose of comparison with the projections for FY2020.3 and are used for convenience and reference only.



4. ESG

Environment

Sustainable wood procurement initiatives

Implemented project in Tanzania to build a business model enabling sustainable use of materials for woodwind instruments

Worked with local governments in Hokkaido on forest conservation activities aimed at creating sustainable forests of Picea glehnii, which is used for piano sound boards

Yamaha and Kyoto University have signed a comprehensive research agreement aimed at sustainable cultivation and use of forest resources

YAMAHA → Identify research topics focusing on sustainability of forest resources ← 京都大学 KYOTO UNIVERSITY

YAMAHA: Technologies, know-how, etc. relating to use of wood in the music and audio field

Kyoto University: Cutting-edge research and superior research resources in the forestry science field

↓

Form research partnerships, dynamically exchange ideas, and share results

↓

Proactively publish results
Contribute to sustainability of society as a whole

New medium-term management plan:

- Aim for 50% of wood used to be certified timber
- Continue due diligence to avoid purchase of timber from illegal sources
- Undertake activities to sustainably conserve scare timber resources in collaboration with local communities
- Enhance forest resource education and usage efficiency through cooperation with academic research (Kyoto University and other educational institutions)

Social

Steady advance of music promotion activities in emerging countries

Expanded School Project aimed at giving more children the opportunity to play a musical instrument

Provided packages of instructors, programs, and musical instruments to elementary schools in emerging countries to create environments enabling extracurricular music lessons

Countries promoting School Project

Targets and results from previous Medium-Term Management Plan period

	Schools assisted	Total no. of students
Target	1,000	100,000
Result	**1,300**	**260,000**

New medium-term management plan:

Promote musical instrument education in school music lessons in emerging markets
-3,000 schools in 7 countries, cumulative total of 1 million students

YAMAHA

Social

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

Initiatives to create diverse working styles

More flexible work rules

Trialled telecommuting and short-time flexible working hours, etc. (introduction of new systems planned for 2019)

Establishment of workplace childcare facilities

Childcare centers will open in August 2019 in the aim of creating mechanisms for employees to continue working with peace of mind



Certification under the “White 500” Health and Productivity System

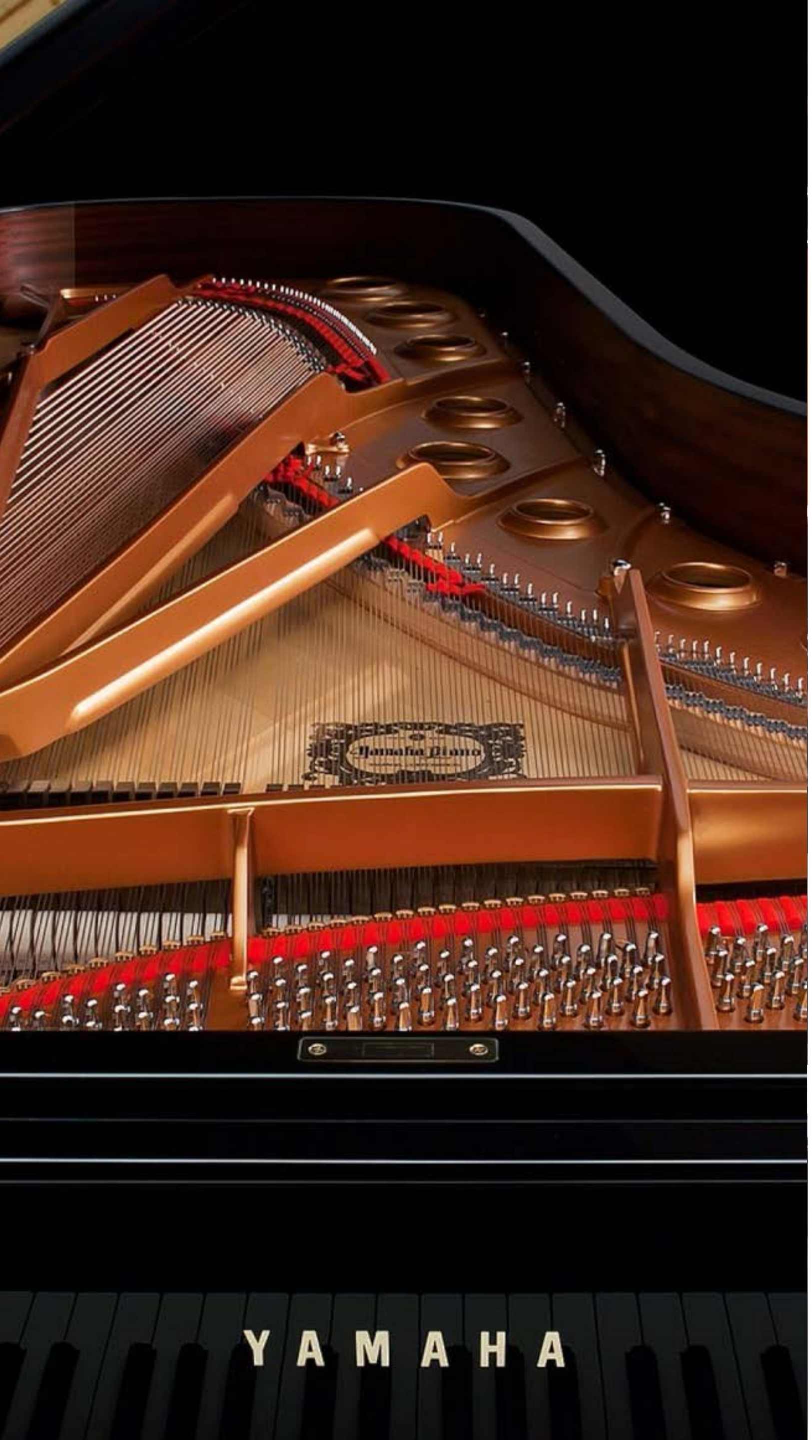
Recognition of Yamaha Group employee health management initiatives

健康経営優良法人
Health and productivity
ホワイト500

New medium-term management plan:

Create environment where diverse personnel can give full play to their individuality and creativity

-Cross-border assignment of 30 employees over 3 years
-17% of management positions occupied by women



5. Other Financial Figures

Balance Sheet Summary

(billions of yen)

	As of March 31, 2018 (Japanese GAAP)	As of March 31, 2019 (Japanese GAAP)
Cash and deposits	122.7	106.1
Notes and accounts receivable	55.3	54.4
Inventories	94.1	100.3
Other current assets	17.4	20.8
Fixed assets	262.8	233.2
Total assets	552.3	514.8
Notes and accounts payable	19.9	17.5
Short- and long-term loans	11.1	8.9
Other liabilities	133.0	105.6
Total net assets	388.3	382.8
Total liabilities and net assets	552.3	514.8

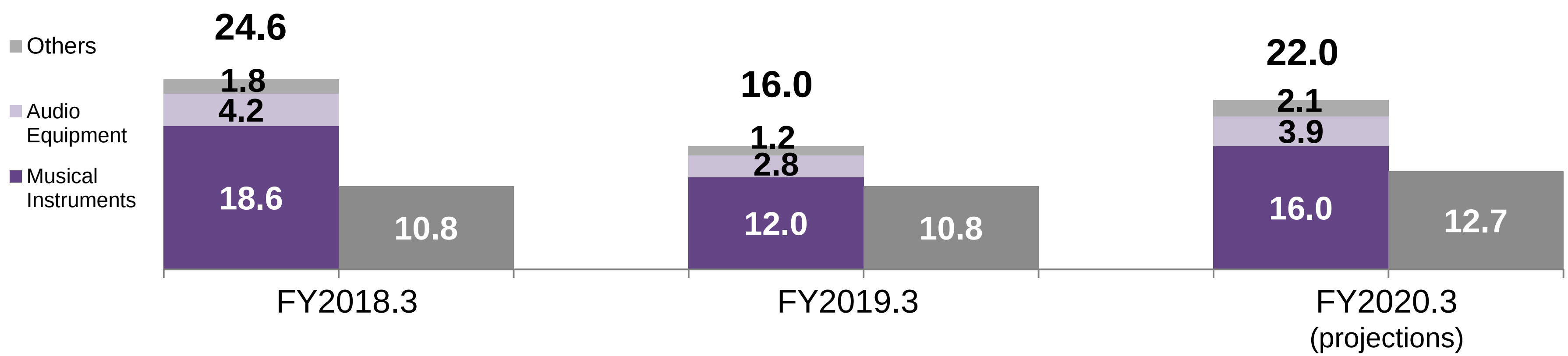
	As of March 31, 2020 (projections) (IFRS standards)
Cash and cash equivalents	109.7
Trade and other receivables	69.6
Other financial assets	10.2
Inventories	100.7
Other current assets	7.3
Non-current assets	252.6
Total assets	550.0
Current liabilities	98.6
Non-Current liabilities	59.9
Total equity	391.5
Total liabilities and equity	550.0

*Figures for FY2018.3 have been adjusted to reflect revision of Accounting Standards for Tax Effect Accounting.

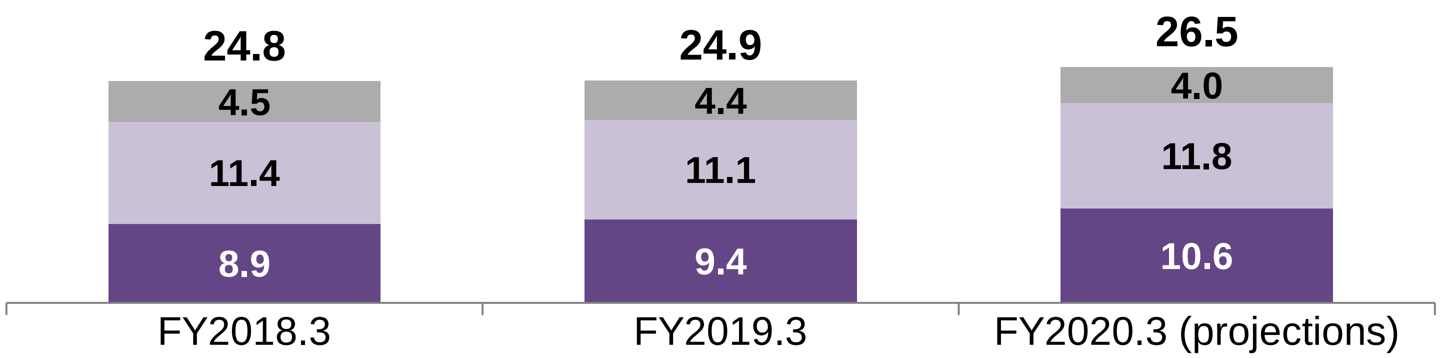
Capital Expenditure/Depreciation, R&D Expense

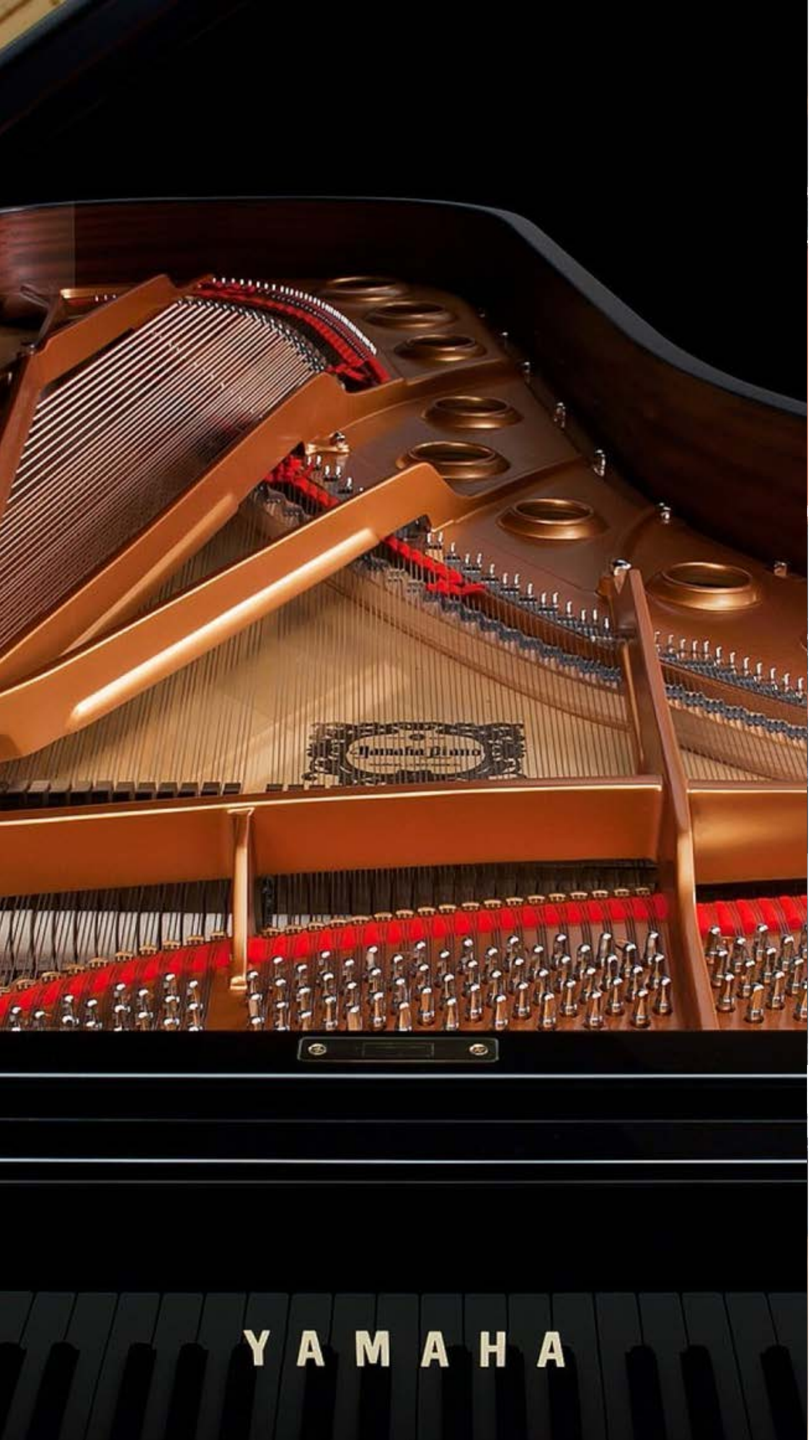
(billions of yen)

Capital Expenditure/Depreciation



R&D Expenses





6. Return to Shareholders

Acquisition of Treasury Stock and Dividends

Acquisition of Treasury Stock

Purpose of acquisition: To enhance shareholder returns and capital efficiency

- Acquisition period: February 6 to July 31, 2019
- Number of shares to be acquired: 5 million shares (maximum)
- Amount of acquisition: ¥20 billion (maximum)

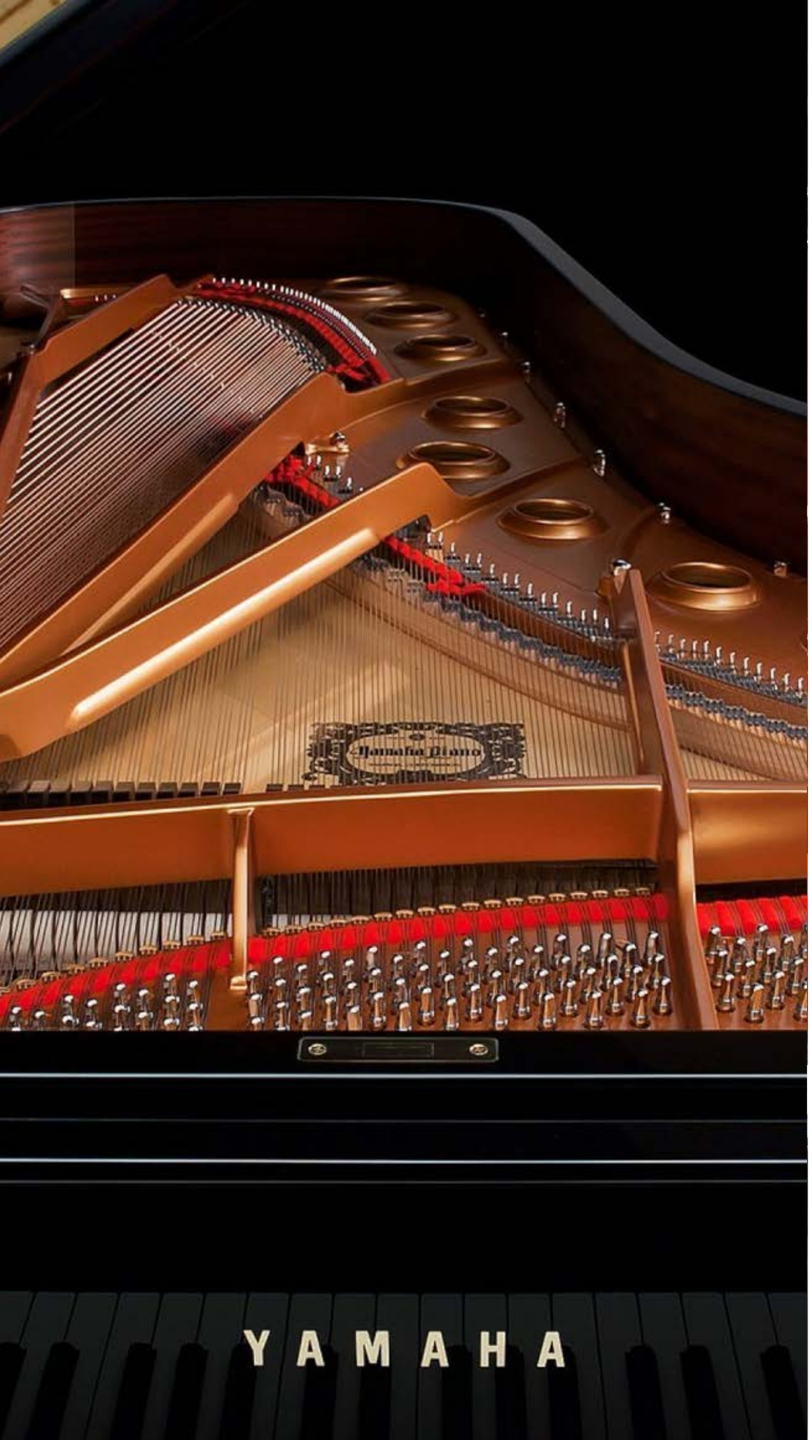
*Status of acquisition at March 31, 2019:
2.21 million shares, worth ¥11.9 billion (representing 59.67% of the amount to be acquired)

Dividends, payout ratios and total return ratios

	FY2014.3	FY2015.3	FY2016.3	FY2017.3	FY2018.3	FY2019.3	FY2020.3 (projections)
Annual per-share dividend	¥27	¥36	¥44	¥52	¥56	¥60	¥66
Payout ratio	22.8%	28.0%	26.1%	20.9%*1	19.2%*2	24.9%	27.7%
Total return ratio	22.8%	28.0%	78.8%	26.8%	65.0%	52.1%	—

*1 Figures for deferred tax assets included

*2 Figures for gain on sales of a portion of Yamaha Motor Co., Ltd. shares included



Appendix

Full Year Other Income and Expenses (Japanese GAAP)

(billions of yen)

		FY2018.3	FY2019.3
Operating Income		**48.8**	**56.0**
Non-Operating Income/Loss	Net financial income	4.3	4.2
	Others	-3.9	-1.8
	Total	0.4	2.4
Ordinary Income		49.2	58.4
Extraordinary Income/Loss	Income from (loss on) disposal of fixed assets	-0.2	-0.3
	Others	25.5	2.3
	Total	25.2	2.1
Income before Income Taxes		74.5	60.5
Income taxes -current		21.4	14.6
Income taxes -deferred		-1.3	2.1
Net income attributable to non-controlling interests		0	0.1
Net Income*1		**54.4**	**43.8**

Gain on sales of Yamaha Motor Co., Ltd. shares +¥25.8

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

Full Year Projections of Other Income and Expenses (IFRS standards)

(billions of yen)

		FY2019.3 [*2]	FY2020.3 (projections)
Core Operating Profit		**53.0**	**55.0**
Other Income and Expenses	Profit from (loss on) disposal of fixed assets	-0.3	-0.1
	Others	0.4	0.1
	Total	0.1	0
Operating Profit		53.1	55.0
Financial Income and Expenses	Dividends income	3.8	3.6
	Others	-0.1	-0.6
	Total	3.7	3.0
Profit before Income Taxes		56.8	58.0
Income taxes -current		14.3	15.0
Income taxes -deferred		2.2	0.5
Net profit attributable to non-controlling interests		0.1	
Net Profit [*1]		**40.2**	**42.5**

*1 Net profit is presented as profit attributable to owners of the parent on the consolidated financial statements.

*2 Results under IFRS standards for FY2019.3 are tentative figures for the purpose of comparison with the projections for FY2020.3 and are used for convenience and reference only.

YAMAHA

Make Waves

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 projections 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.