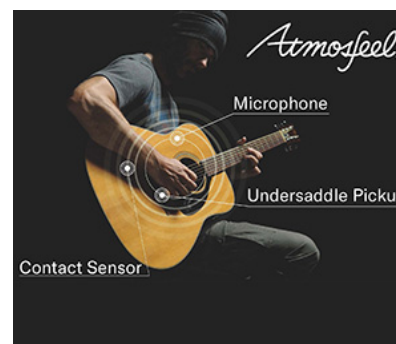
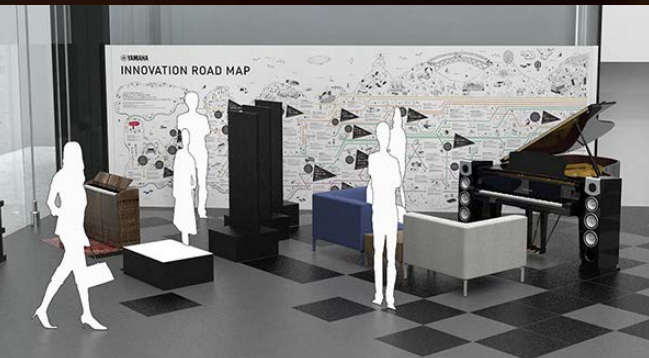


Analyst and Investor Briefing on First Quarter of FY2020.3

(Fiscal year ending March 31, 2020)



August 2, 2019

Yamaha Corporation

FY2020.3 First-Quarter Highlights

Overview

Figures in parentheses are year-on-year comparisons

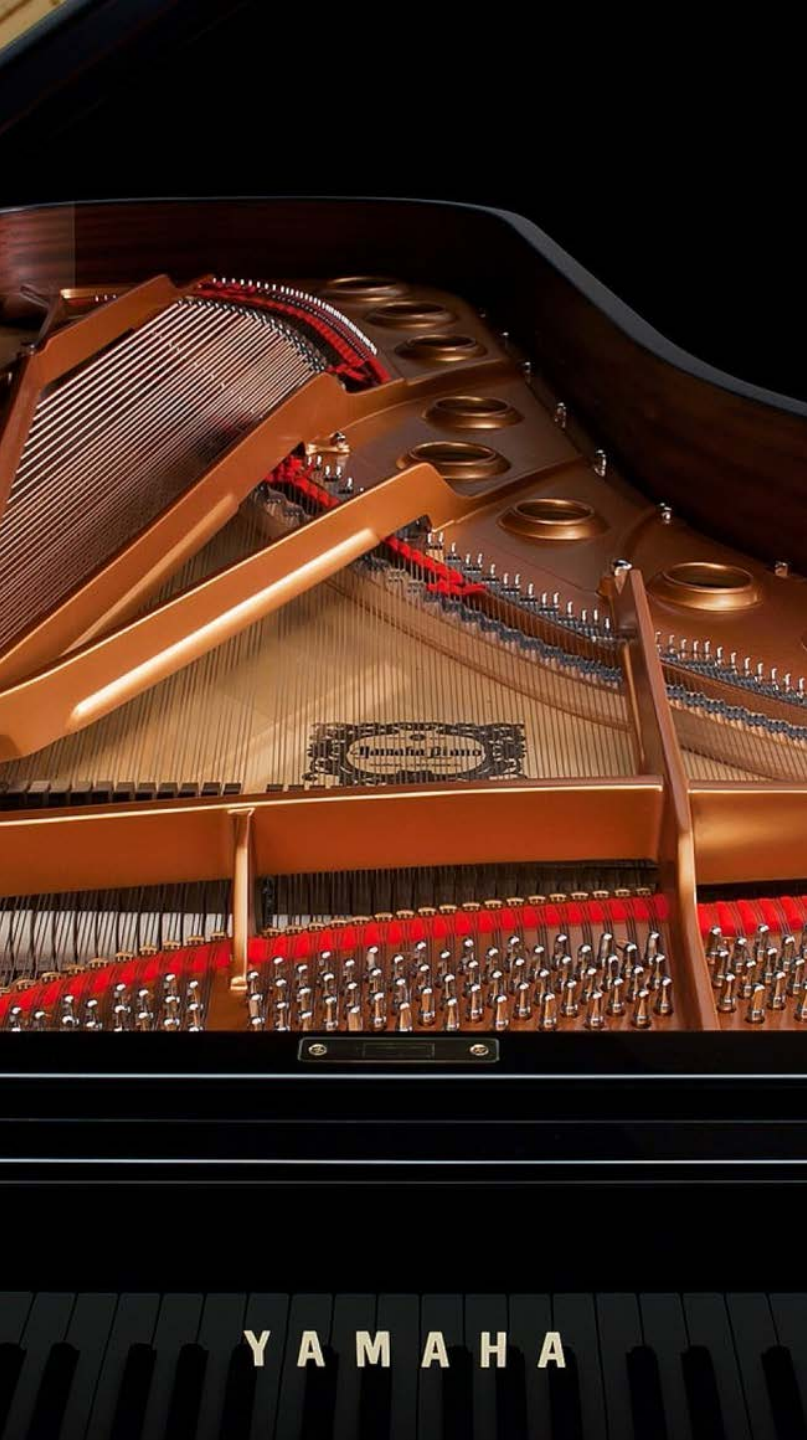
FY2020.3 1Q Achievements

- Revenue and profit both declined year-on-year, mainly due to deteriorating market conditions in the Industrial Machinery and Components (IMC) business and the impact of exchange rates
- Revenue amounted to ¥99.5 billion (down 4.8%) and core operating profit totaled ¥10.8 billion (down 13.2%)

Outlook

FY2020.3 Full Year Outlook

- Full year projections remain unchanged from those announced in May 2019 (revenue ¥440.0 billion, core operating profit ¥55.0 billion)
- Sales in the musical instruments segment are expected to remain robust, and audio equipment is predicted to rebound



1. Performance Summary

FY2020.3 1Q (Three Months) Summary

(billions of yen)

	FY2019.3 1Q	FY2020.3 1Q	Change	
Revenue	104.5	99.5	-5.0	-4.8% ^{*2}
Core Operating Profit (Core Operating Profit Ratio)	12.4 (11.9%)	10.8 (10.8%)	-1.6	-13.2%
Net Profit ^{*1}	9.5	7.3	-2.2	-23.2%

Exchange Rate (yen)

Revenue (Average rate during the period)	US\$	109	110
	EUR	130	123
Profit (Settlement rate)	US\$	108	111
	EUR	132	126

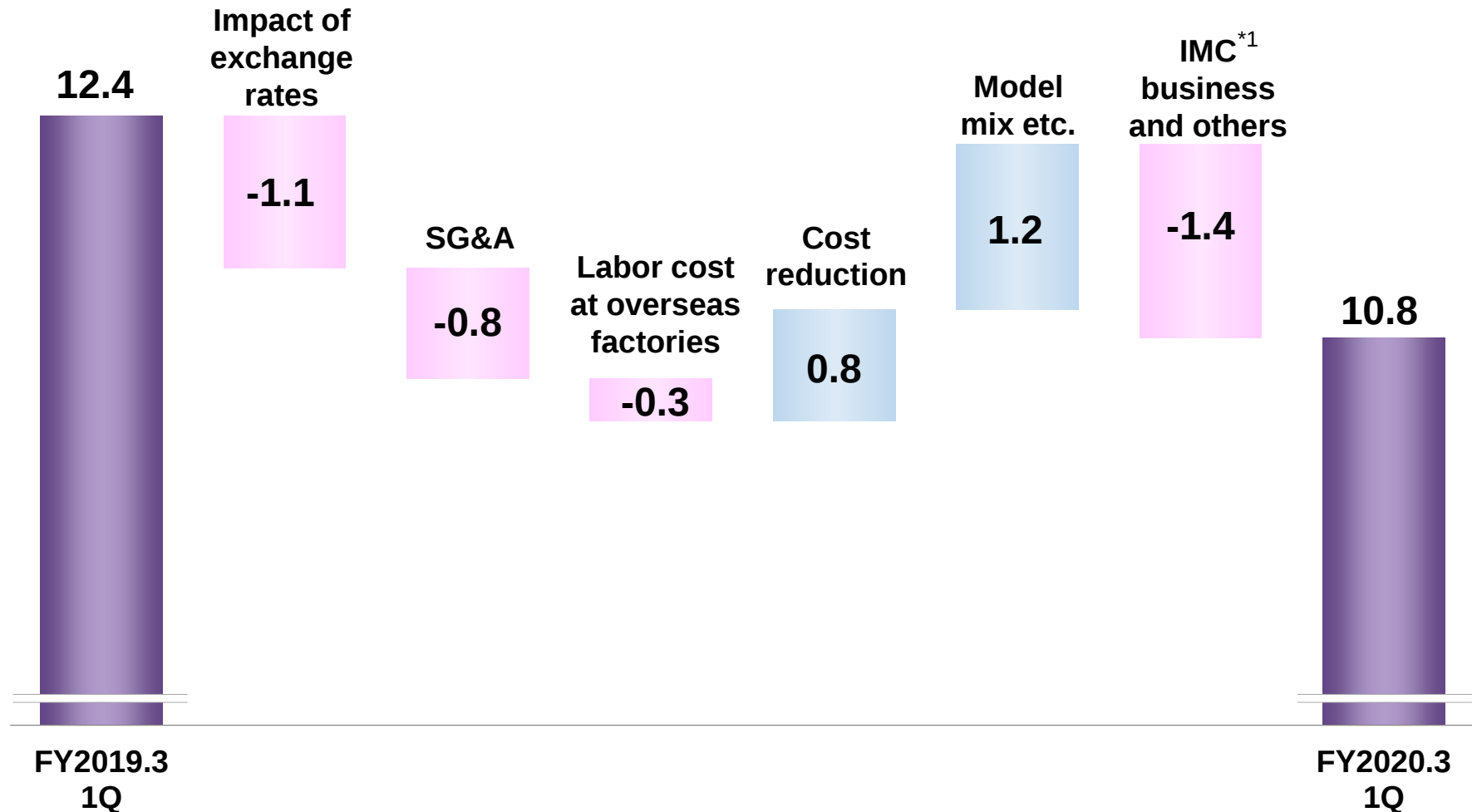
^{*2} -2.6%
(Excluding the impact of exchange rate)

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

Core Operating Profit Analysis

(billions of yen)

Versus previous year



*1 Industrial Machinery and Components

Performance by Business Segment

(billions of yen)

		FY2019.3 1Q	FY2020.3 1Q	Change	Exchange rate impact
Musical Instruments	Revenue	68.5	67.5	-1.0	-1.7
	Core Operating Profit	9.7	9.8	+0.2	-0.7
	Core Operating Profit Ratio	14.1%	14.6%	+0.5P	
Audio Equipment	Revenue	26.1	24.8	-1.3	-0.7
	Core Operating Profit	1.3	0.9	-0.4	-0.4
	Core Operating Profit Ratio	5.1%	3.5%	-1.5P	
IMC ^{*1} Business and Others	Revenue	9.9	7.2	-2.7	0
	Core Operating Profit	1.4	0.1	-1.4	0
	Core Operating Profit Ratio	14.6%	0.9%	-13.7P	

*1 Industrial Machinery and Components

FY2020.3 Outlook

*Full year projections remain unchanged from the previous announcement on May 9, 2019

(billions of yen)

	FY2019.3 Full year	FY2020.3 Full year (projections)	Change	
Revenue	434.4	444.0	+9.6	+2.2% ^{*2}
Core Operating Profit (Core Operating Profit Ratio)	52.7 (12.1%)	55.0 (12.4%)	+2.3	+4.3%
Net Profit ^{*1}	40.3	42.5	+2.2	+5.4%

Exchange Rate (yen)

Revenue (Average rate during the period)	US\$	111	110
	EUR	128	125
Profit (Settlement rate)	US\$	111	110
	EUR	131	125

^{*2} **+3.0%**
(Excluding the impact
of exchange rate)

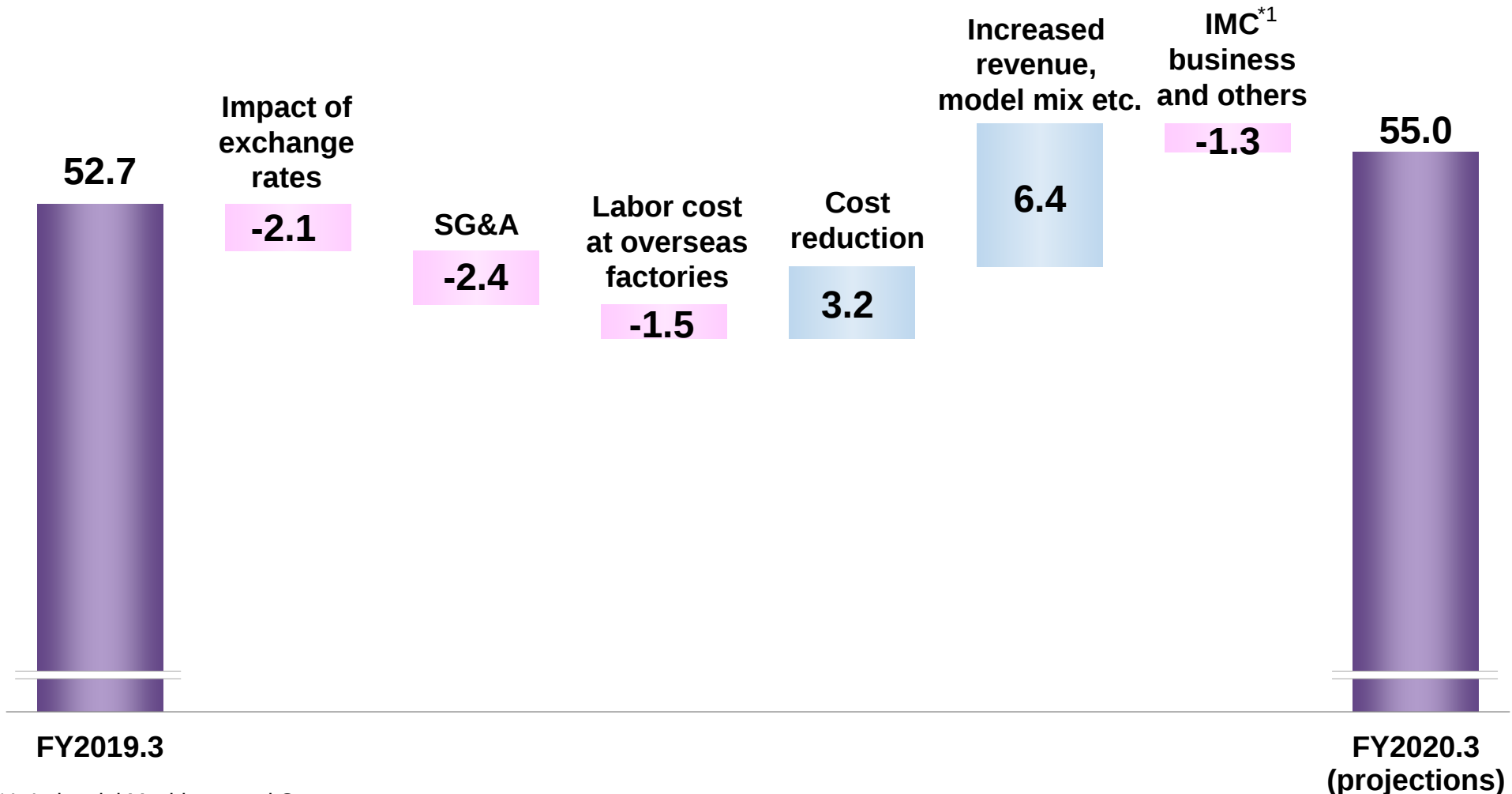
*1 Net profit is presented as profit attributable to owners of the parent on the consolidated financial statements.

Core Operating Profit Analysis

*Full year projections remain unchanged from the previous announcement on May 9, 2019

(billions of yen)

Versus previous year



*1 Industrial Machinery and Components

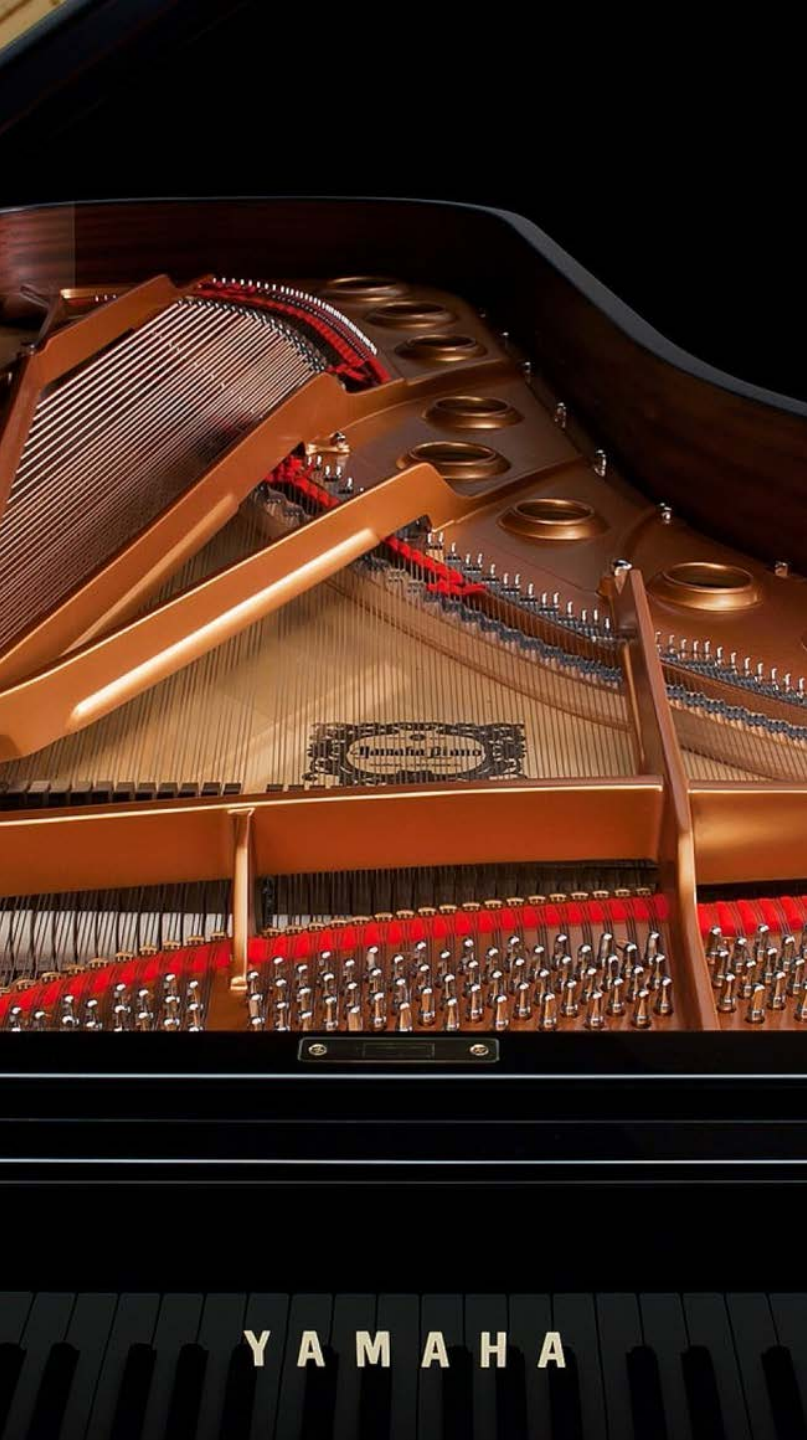
Outlook by Business Segment

*Full year projections remain unchanged from the previous announcement on May 9, 2019

(billions of yen)

		FY2019.3 Full Year	FY2020.3 Full year (projections)	Change	Exchange rate impact
Musical Instruments	Revenue	279.5	285.5	+6.0	-2.3
	Core Operating Profit	40.8	43.0	+2.2	-1.5
	Core Operating Profit Ratio	14.6%	15.1%	+0.5P	
Audio Equipment	Revenue	120.1	123.5	+3.4	-1.2
	Core Operating Profit	9.6	11.0	+1.4	-0.7
	Core Operating Profit Ratio	8.0%	8.9%	+0.9P	
IMC ^{*1} Business and Others	Revenue	34.8	35.0	+0.2	-0.1
	Core Operating Profit	2.3	1.0	-1.3	0
	Core Operating Profit Ratio	6.7%	2.9%	-3.8P	

*1 Industrial Machinery and Components



2. Segment Overview & Updates

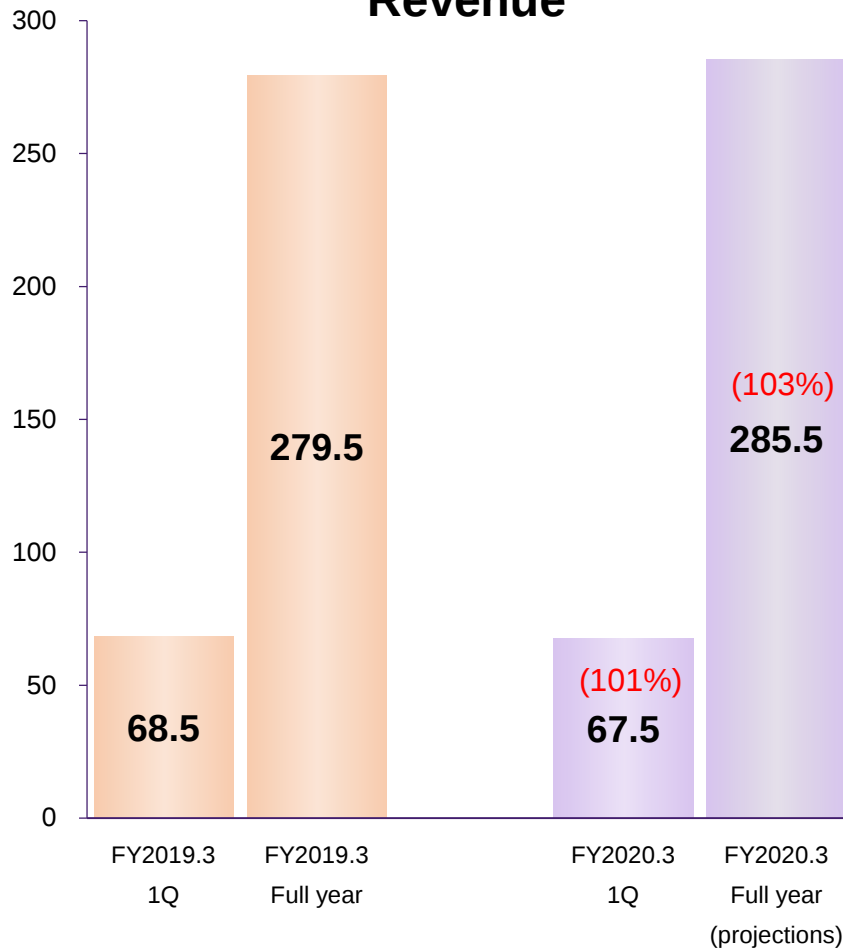
Y A M A H A

Segment Revenue and Core Operating Profit

*Full year projections remain unchanged from the previous announcement on May 9, 2019

(billions of yen)

Revenue



[Three months] Sales up year-on-year in all product categories except wind instruments

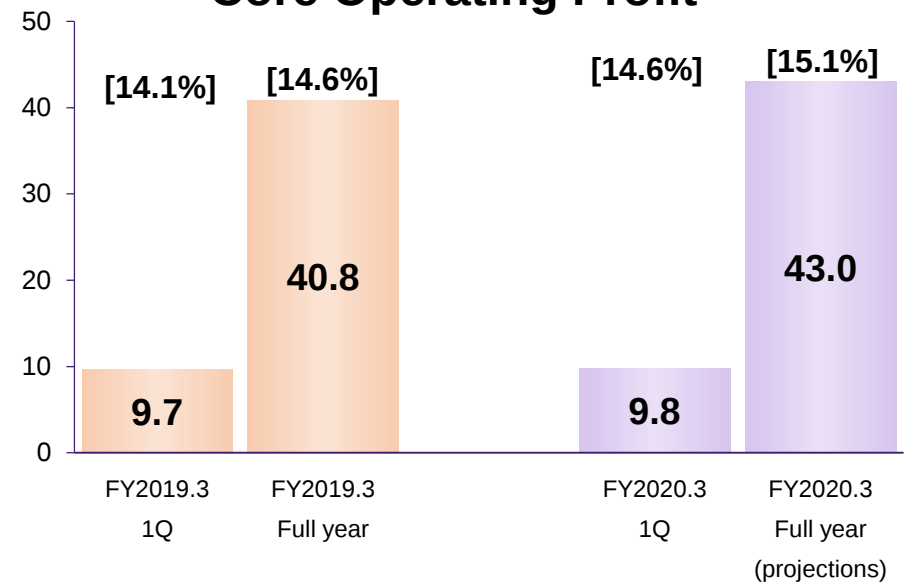
- Piano sales were strong despite slowing in China, and digital musical instrument sales were also brisk. Although wind instrument sales were down in Japan and North America, guitar sales achieved double-digit growth exceeding previous year's result in all regions.
- Although market conditions were favorable in North America, shipment delays caused mistiming, but sales rebounded in Europe. The pace of growth in China slowed, but sales increased year-on-year in all product categories. Emerging markets were robust.

[Full year projection] Growth projected in all product categories

- High growth is anticipated in guitar sales, and sales of pianos and digital pianos are also expected to grow strongly
- Double-digit growth is anticipated to continue in China. North America and emerging markets are expected to remain robust, and recovery is projected for Europe.

Core Operating Profit

(billions of yen)



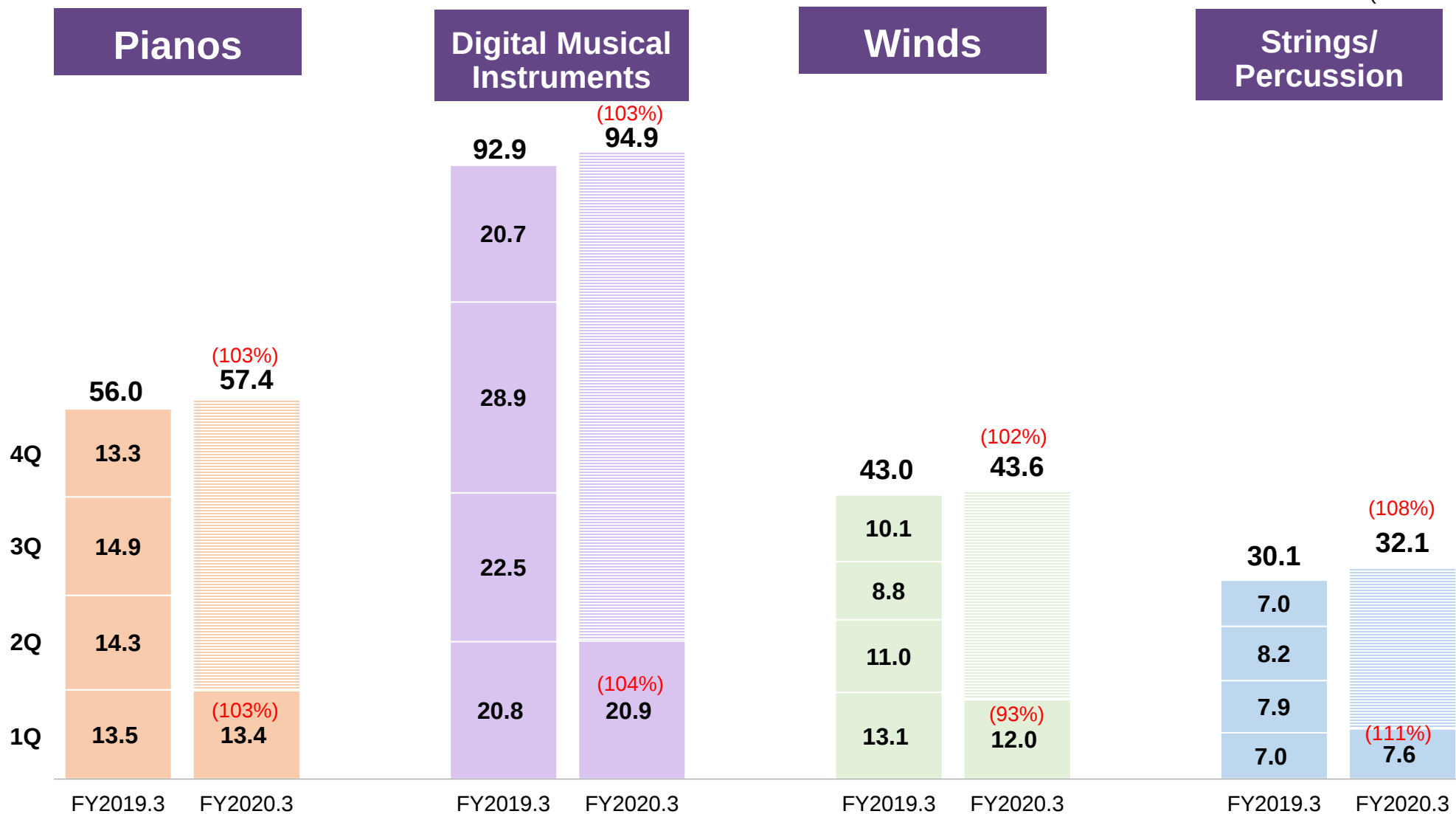
Red figures show actual YoY changes discounting impact of exchange rates

Figures in [] indicate core operating profit ratio

Sales by Major Product Category

*Full year projections remain unchanged from the previous announcement on May 9, 2019

(billions of yen)

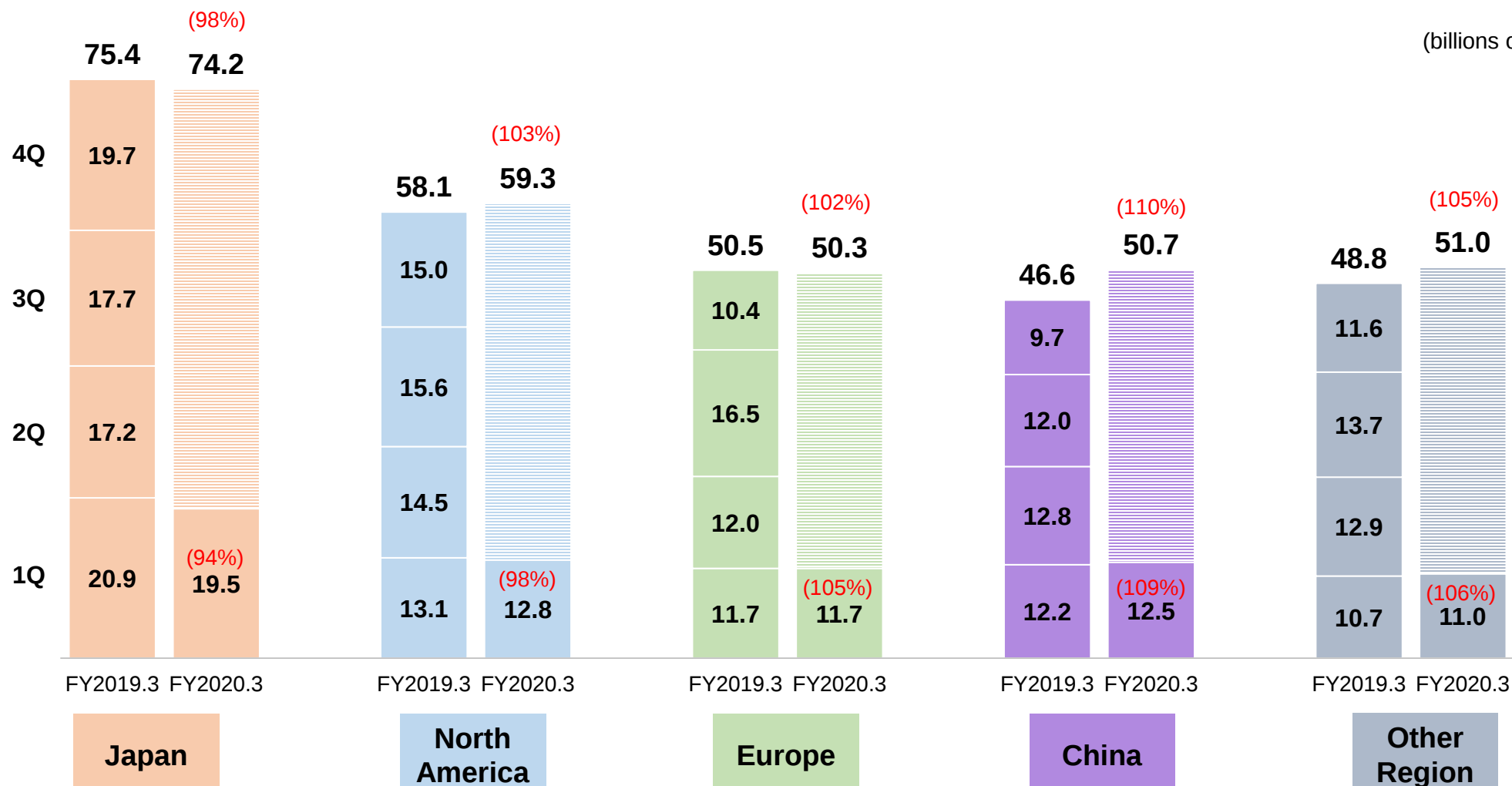


Red figures show actual YoY changes discounting impact of exchange rates

Sales by Region

*Full year projections remain unchanged from the previous announcement on May 9, 2019

(billions of yen)

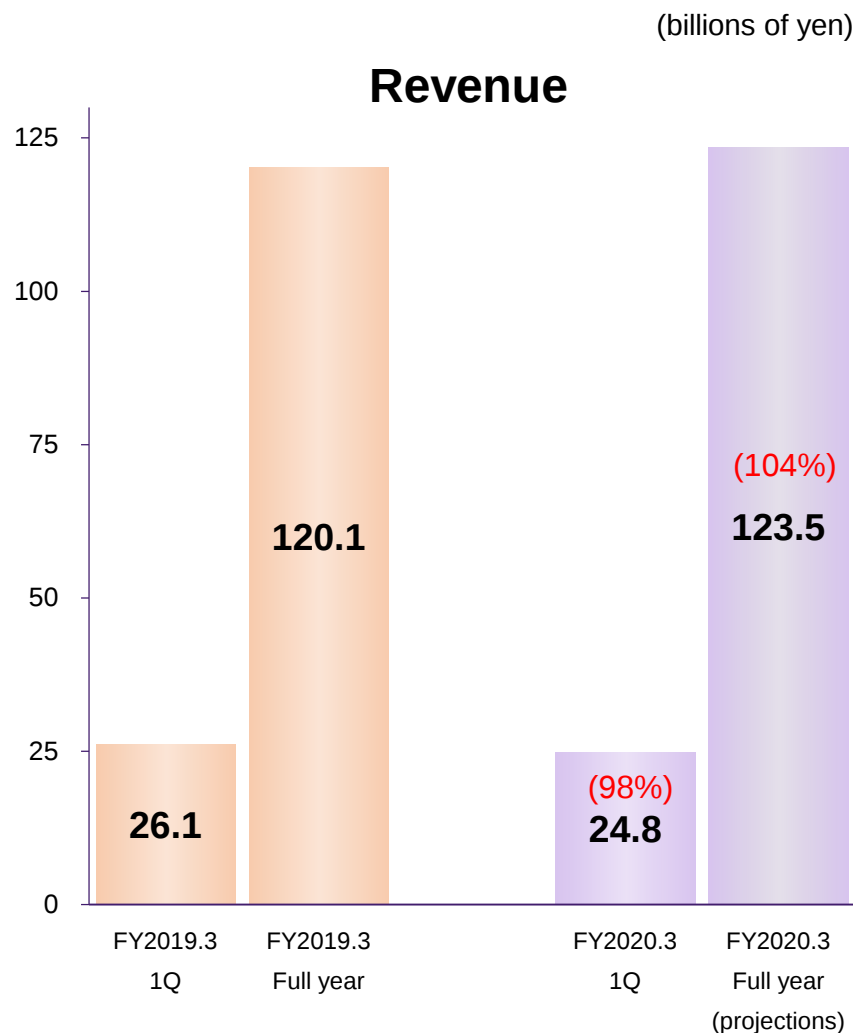


* Software products and music schools included

Red figures show actual YoY changes discounting impact of exchange rates

Segment Revenue and Core Operating Profit

*Full year projections remain unchanged from the previous announcement on May 9, 2019

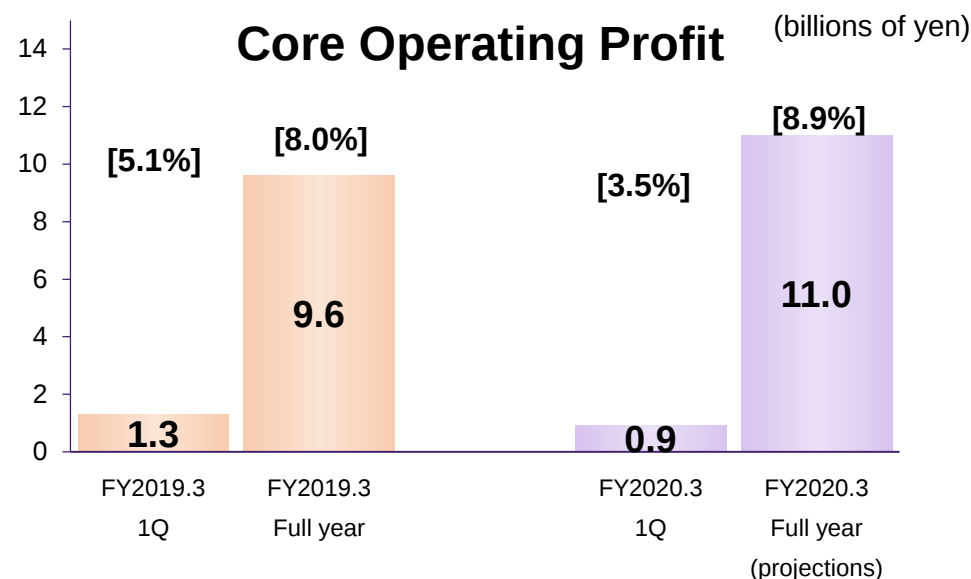


[Three months] Delays in shipment of AV products caused mistiming in North America, but sales were brisk in Europe

- In the AV product category, delays in mass channel shipments had an impact in North America, but European sales were robust
- Music production software in Europe and North America drove strong overall results in the PA equipment category
- Sales were sluggish in the ICT devices category, held back by lower OEM product sales and sluggish network equipment due to inventory adjustment

[Full year projection] Expansion projected due to growth in PA equipment and rebounding sales of AV products

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



Red figures show actual YoY changes discounting impact of exchange rates

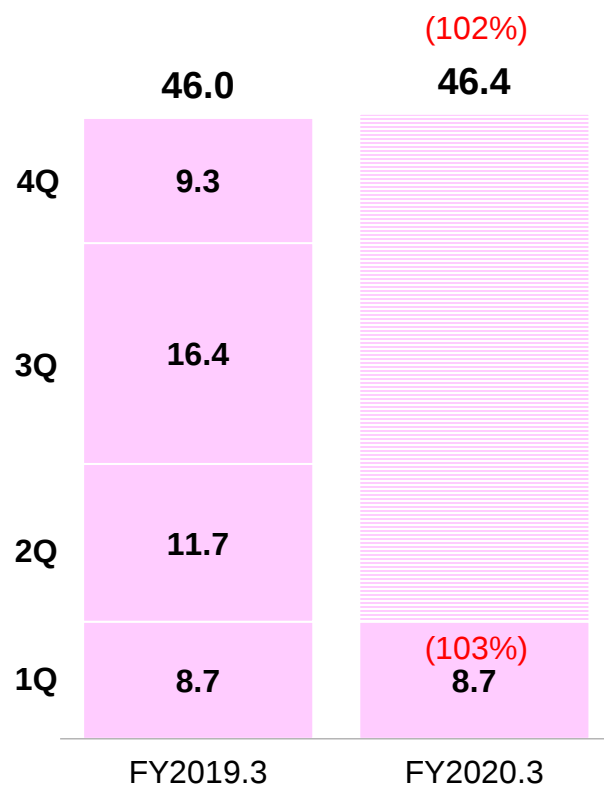
Figures in [] indicate core operating profit ratio

Sales by Major Product Category

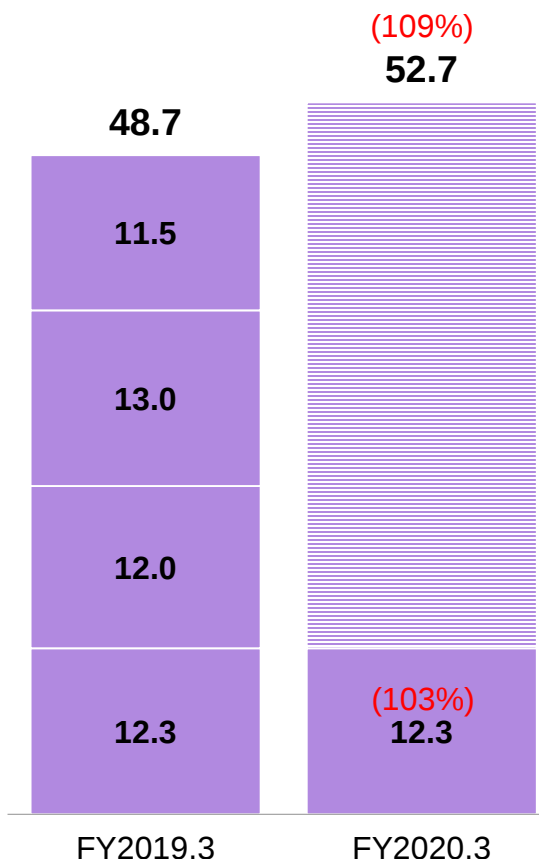
*Full year projections remain unchanged from the previous announcement on May 9, 2019

(billions of yen)

AV Products

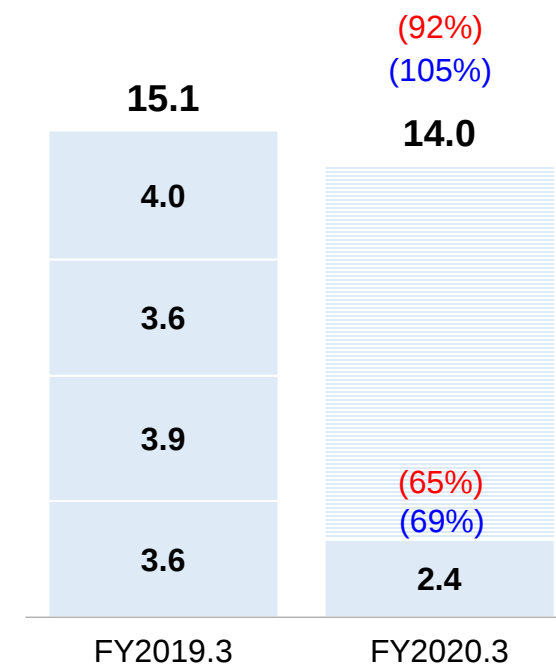


PA Equipment



*Includes only sales of products for PA Equipment (excluding engineering and installation services)

ICT Devices

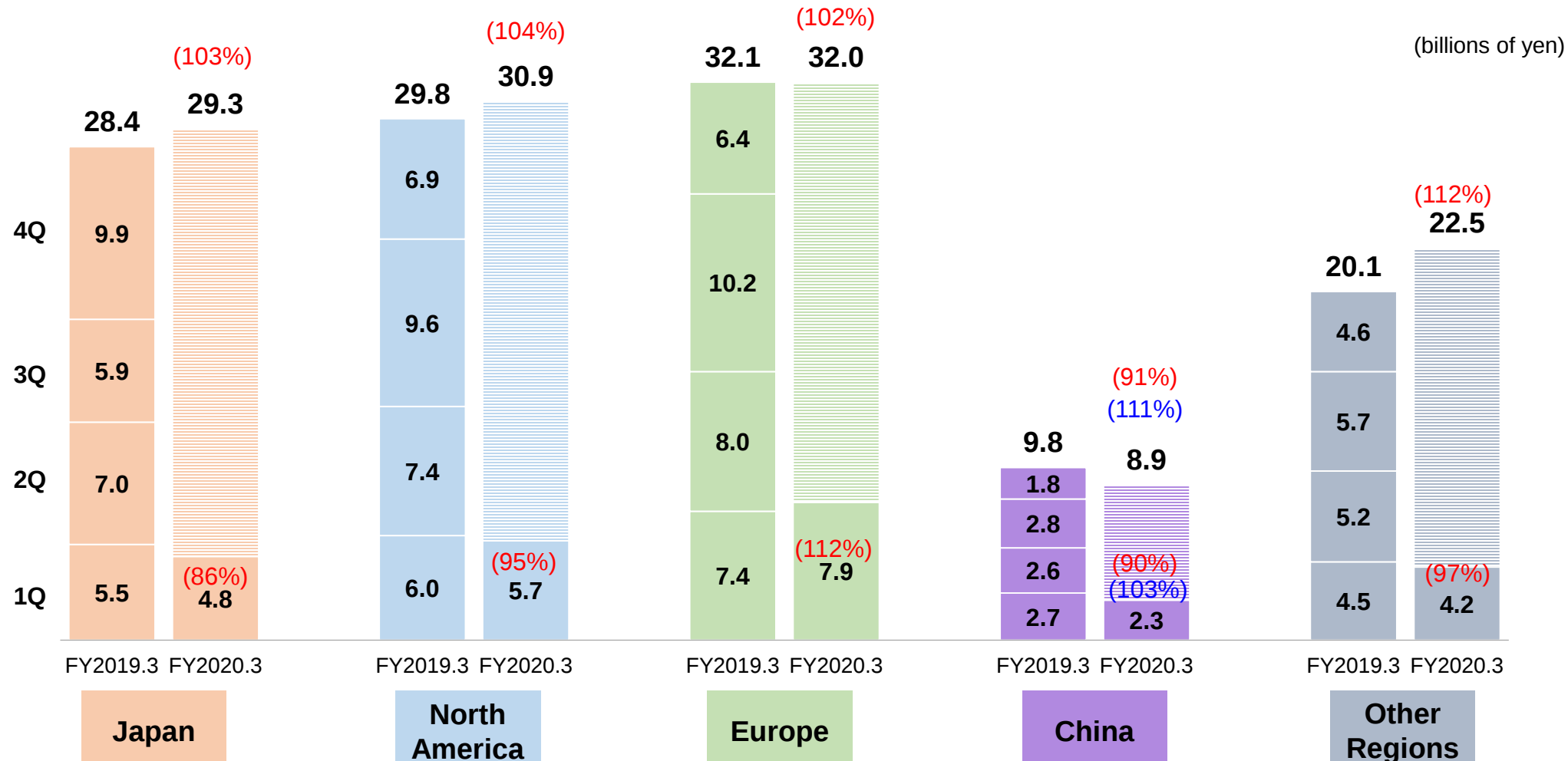


Red figures show actual YoY changes discounting impact of exchange rates

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

Sales by Region

*Full year projections remain unchanged from the previous announcement on May 9, 2019

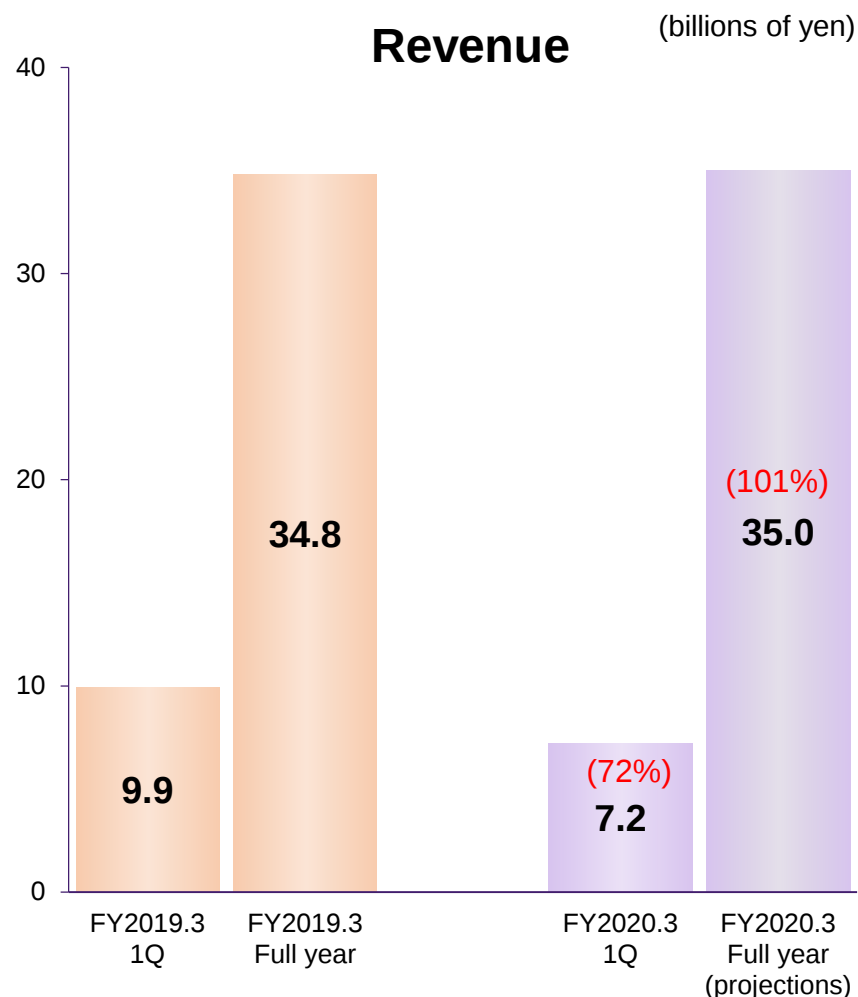


Red figures show actual YoY changes discounting impact of exchange rates

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

Segment Revenue and Core Operating Profit

*Full year projections remain unchanged from the previous announcement on May 9, 2019

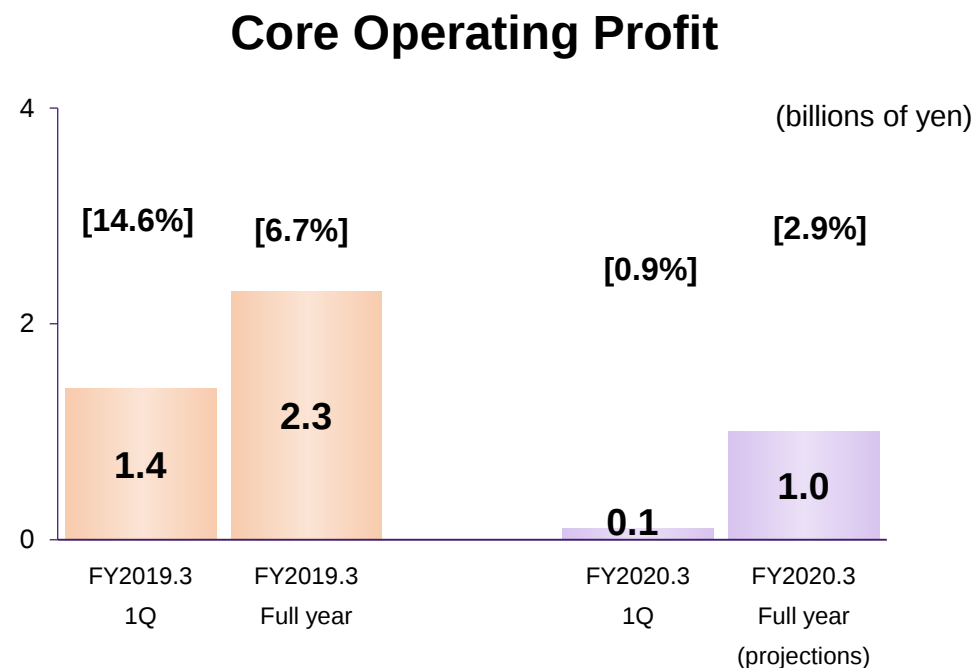


[Three months]

- As projected, sales of factory automation equipment were at a lower level than the previous year when there were special orders

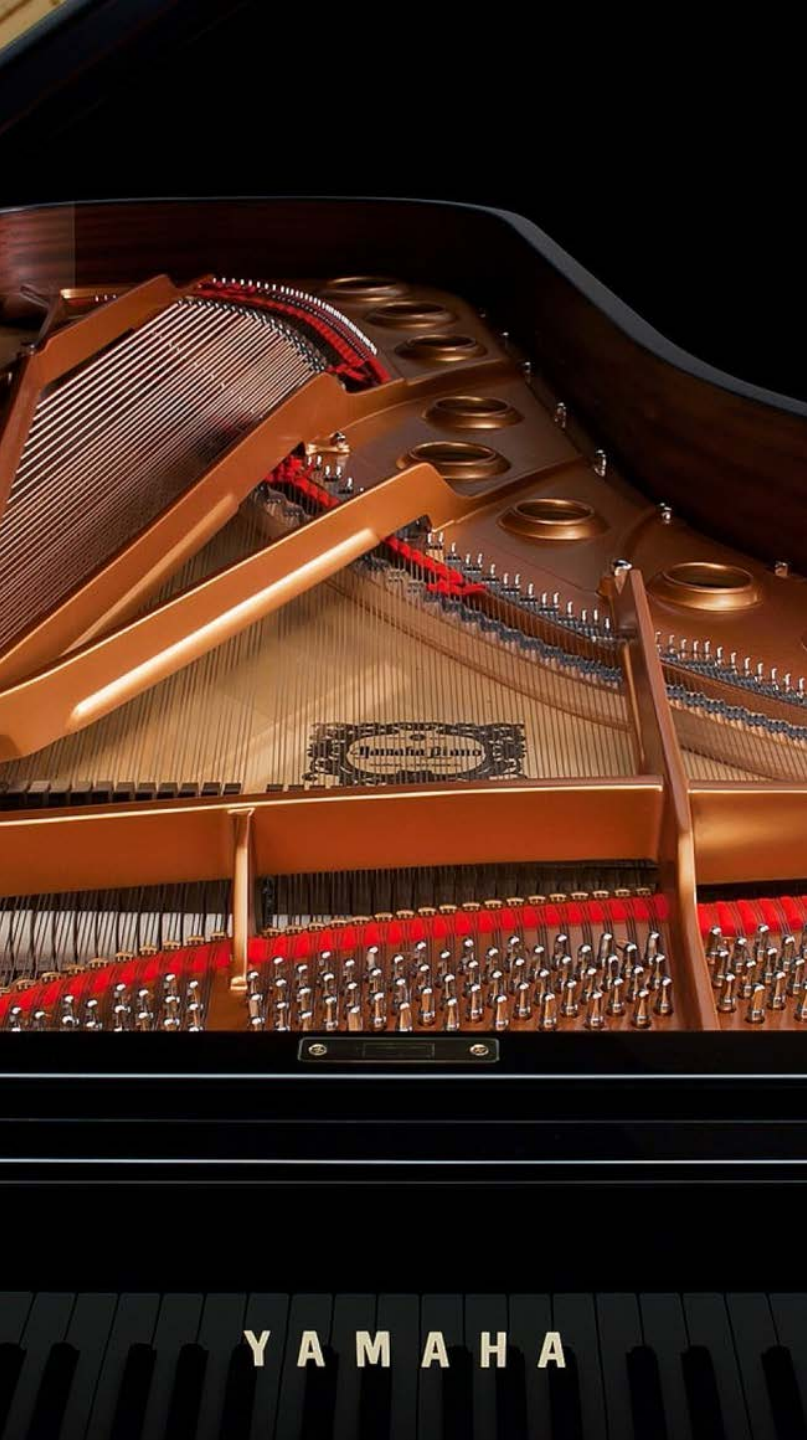
[Full year projection]

- In the electronic device category, sales of in-vehicle communication modules 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



Red figures show actual YoY changes discounting impact of exchange rates

Figures in [] indicate core operating profit ratio



3. Other Financial Figures

Balance Sheet Summary

*Full year projections remain unchanged from the previous announcement on May 9, 2019

(billions of yen)

	As of Mar. 31, 2019	As of June 30, 2019	Change	As of March 31, 2020 (projections)
Cash and cash equivalents	95.8	86.9	-8.9	109.7
Trade and other receivables	65.3	57.5	-7.9	69.6
Other financial assets	10.5	10.3	-0.2	10.2
Inventories	101.0	104.6	+3.6	100.7
Other current assets	10.1	10.6	+0.5	7.3
Non-current assets	233.1	223.8	-9.4	252.6
Total assets	515.9	493.7	-22.2	550.0
Current liabilities	100.4	98.0	-2.4	98.6
Non-current liabilities	56.5	53.6	-2.9	59.9
Total equity	359.0	342.2	-16.8	391.5
Total liabilities and equity	515.9	493.7	-22.2	550.0

*Full year projections remain unchanged from the previous announcement on May 9, 2019

Capital Expenditure/Depreciation, R&D Expense

(billions of yen)

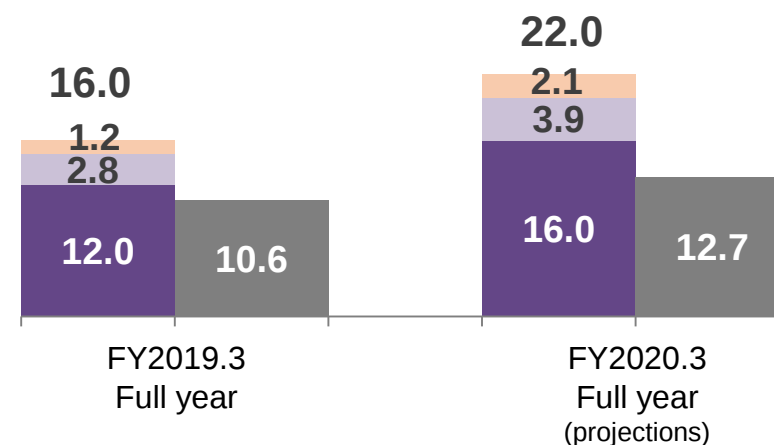
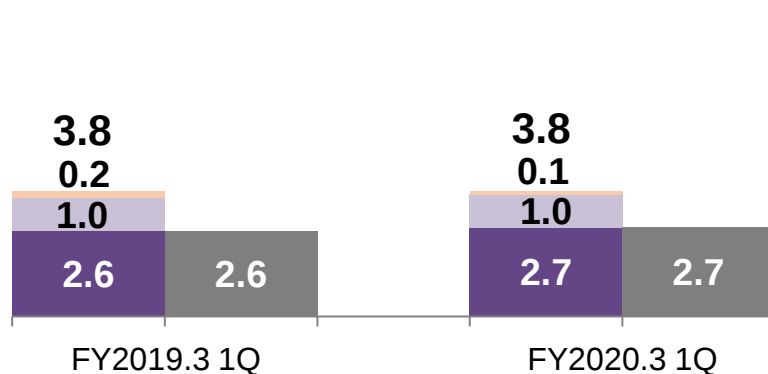
Capital Expenditure/Depreciation

■ Depreciation

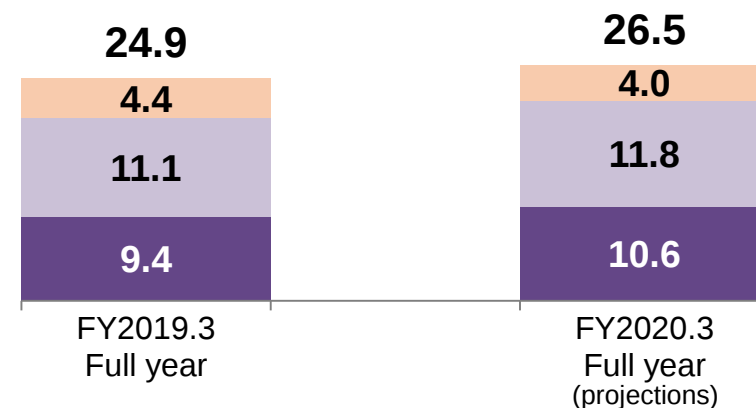
■ Others

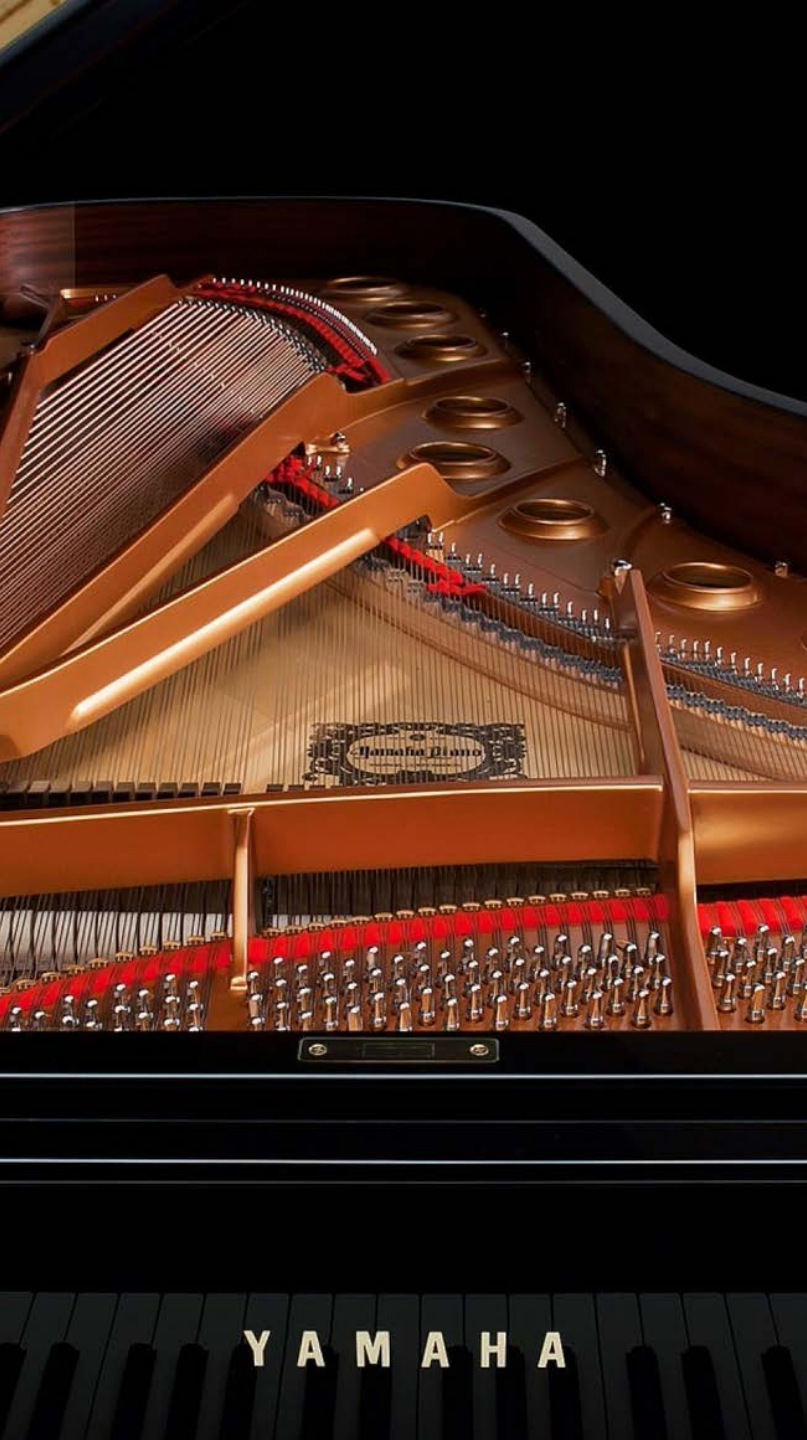
■ Audio
Equipment

■ Musical
Instruments



R&D Expenses





Appendix

1Q Other Income and Expenses (Three Months)

(billions of yen)

		FY2019.3 1Q	FY2020.3 1Q
Core Operating Profit		12.4	10.8
Other Income and Expenses	Profit from (loss on) disposal of fixed assets	0	0
	Others	-0.3	0.3
	Total	-0.3	0.3
Operating Profit		12.1	11.1
Financial Income and Expenses	Dividends income	0.3	0.3
	Others	0.6	-0.4
	Total	0.9	-0.1
Profit before Income Taxes		13.1	11.0
Income taxes –current		3.1	2.0
Income taxes –deferred		0.5	1.7
Net profit attributable to non-controlling interests		0	0
Net Profit ^{*1}		9.5	7.3

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

Full Year Projections of Other Income and Expenses

*Full year projections remain unchanged from the previous announcement on May 9, 2019

(billions of yen)

		FY2019.3 Full year	FY2020.3 Full year (projections)
Core Operating Profit		52.7	55.0
Other Income and Expenses	Profit from (loss on) disposal of fixed assets	-0.3	-0.1
	Others	0.3	0.1
	Total	0.1	0
Operating Profit		52.8	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		56.5	58.0
Income taxes –current		14.3	15.0
Income taxes –deferred		1.8	0.5
Net profit attributable to non-controlling interests		0	0
Net Profit^{*1}		40.3	42.5

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

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.