



YAMAHA CORPORATION

Flash Report Consolidated Basis (IFRS) Results for the First Quarter of the Fiscal Year Ending March 31, 2024 (April 1, 2023—June 30, 2023)

August 2, 2023

Company name:	YAMAHA CORPORATION (URL https://www.yamaha.com/en/)
Code number:	7951
Stock listing:	TSE Prime Market
Address of headquarters:	10-1, Nakazawa-cho, Naka-ku, Hamamatsu, Shizuoka 430-8650, Japan
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Scheduled date to submit Quarterly Securities Report:	August 10, 2023
Scheduled date to begin dividend payments:	—
Supplementary materials to the quarterly financial statements have been prepared:	Yes
Presentation will be held to explain the quarterly financial results:	Yes (for securities analysts and institutional investors)

1. Consolidated Financial Results for the First Quarter of FY2024.3 (April 1, 2023—June 30, 2023)

Figures of less than ¥1 million have been omitted.

(1) Consolidated Operating Results (Accumulation)

(Percentage figures are changes from the same period of the previous fiscal year.)

	Revenue		Core operating profit		Operating profit		Profit before income taxes	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter of FY2024.3	106,196	0.3	6,669	(39.2)	6,859	(38.1)	10,039	(20.2)
First quarter of FY2023.3	105,889	3.3	10,977	(18.0)	11,083	(39.4)	12,573	(32.7)

Note: Comprehensive income: **First quarter of FY2024.3** ¥31,940 million 59.8%
First quarter of FY2023.3 ¥19,990 million (19.5%)

	Profit for the period		Profit for the period attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
First quarter of FY2024.3	6,751	(21.7)	6,721	(21.8)	39.64	—
First quarter of FY2023.3	8,622	(35.7)	8,592	(35.9)	50.08	—

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity ratio attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	%
First quarter of FY2024.3 (As of June 30, 2023)	624,668	475,378	474,253	75.9
FY2023.3 (As of March 31, 2023)	594,246	457,944	456,837	76.9

2. Dividends

	Annual dividends				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full fiscal year
	Yen	Yen	Yen	Yen	Yen
FY2023.3	—	33.00	—	33.00	66.00
FY2024.3	—				
FY2024.3 (Forecast)		37.00	—	37.00	74.00

Note: Revisions from recently announced dividend forecast: None

3. Consolidated Financial Forecasts for FY2024.3 (April 1, 2023–March 31, 2024)

(Percentage figures are changes from the previous fiscal year.)

	Revenue		Core operating profit		Operating profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2024.3	470,000	4.1	50,000	9.0	50,000	7.6

	Profit before income taxes		Profit for the period attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
FY2024.3	53,000	4.8	38,500	0.8	227.77

Note: Revisions from recently announced performance forecast: Yes

* Core operating profit corresponds to operating profit under Japanese Generally Accepted Accounting Principles (GAAP) and is calculated by subtracting selling, general and administrative expenses from gross profit.

Footnote Items

- (1) Changes in the state of material subsidiaries during the period (Changes regarding significant subsidiaries accompanying changes in the scope of consolidation): None
Newly included: — Excluded: —
- (2) Changes in accounting policies and changes in accounting estimates
(a) Changes in accounting policies required by IFRS: None
(b) Changes other than those in (a) above: None
(c) Changes in accounting estimates: None
- (3) Number of shares outstanding (common shares)

(a) Number of shares outstanding at the end of the period (including treasury shares)	First quarter of FY2024.3	187,300,000 shares	FY2023.3	187,300,000 shares
(b) Number of treasury shares at the end of the period	First quarter of FY2024.3	18,511,032 shares	FY2023.3	16,858,633 shares
(c) Average number of shares outstanding during the period (cumulative period)	First quarter of FY2024.3	169,578,799 shares	First quarter of FY2023.3	171,571,904 shares

*This quarterly flash report is exempt from the quarterly review procedures by certified public accountants or audit firm.

*Explanation of the Appropriate Use of Performance Forecasts and Other Related Items

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. For commentary information regarding the closing of accounts for the first quarter of FY2024.3, please refer to “Yamaha Reports First Quarter (Three Months) Results for the Fiscal Year Ending March 2024 and Full Year Outlook [IFRS]”, which was released today (August 2, 2023).

(Revisions from Recently Announced Consolidated Financial Forecasts)

While taking into account a delay in the recovery of sales of entry-level models of digital pianos and other factors, as well as revision of foreign exchange rates, the Company has left its forecast for revenue unchanged but revised its forecast for profit downward.

As a result, the Company has left unchanged its full-year earnings forecast for the fiscal year ending March 31, 2024, announced on May 9, 2023, from ¥470.0 billion in revenue, but revised its forecasts from ¥56.0 billion in core operating profit to ¥50.0 billion; from ¥56.0 billion in operating profit to ¥50.0 billion; from ¥58.0 billion in profit before income taxes to ¥53.0 billion; and from ¥42.0 billion in profit for the period attributable to owners of the parent to ¥38.5 billion.

The materials distributed at the earnings presentation and other materials will be posted on the Company’s website immediately after the presentation is concluded.

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1. Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	FY2023.3 (as of March 31, 2023)	First quarter of FY2024.3 (as of June 30, 2023)
Assets		
Current assets		
Cash and cash equivalents	103,886	98,259
Trade and other receivables	75,354	72,361
Other financial assets	1,089	1,384
Inventories	153,569	166,601
Other current assets	12,645	12,526
Total current assets	346,545	351,133
Non-current assets		
Property, plant and equipment	112,160	118,121
Right-of-use assets	21,852	22,832
Goodwill	4,626	5,023
Intangible assets	2,982	3,035
Financial assets	80,738	94,651
Retirement benefit assets	14,018	16,710
Deferred tax assets	9,716	11,338
Other non-current assets	1,605	1,820
Total non-current assets	247,701	273,534
Total assets	594,246	624,668

(Millions of yen)

	FY2023.3 (as of March 31, 2023)	First quarter of FY2024.3 (as of June 30, 2023)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	60,574	60,687
Interest-bearing debt	1,489	1,993
Lease liabilities	5,733	5,863
Other financial liabilities	9,909	12,408
Income tax payables	2,851	5,320
Provisions	2,114	2,278
Other current liabilities	12,468	14,622
Total current liabilities	95,140	103,174
Non-current liabilities		
Interest-bearing debt	6	1
Lease liabilities	10,440	10,528
Other financial liabilities	74	82
Retirement benefit liabilities	14,067	14,807
Provisions	2,744	2,815
Deferred tax liabilities	11,704	15,621
Other non-current liabilities	2,123	2,257
Total non-current liabilities	41,162	46,115
Total liabilities	136,302	149,289
Equity		
Capital stock	28,534	28,534
Capital surplus	1,755	1,742
Retained earnings	428,166	431,321
Treasury shares	(78,766)	(87,595)
Other components of equity	77,148	100,249
Equity attributable to owners of parent	456,837	474,253
Non-controlling interests	1,106	1,124
Total equity	457,944	475,378
Total liabilities and equity	594,246	624,668

(2) Condensed Quarterly Consolidated Statement of Income and Condensed Quarterly Consolidated Statement of Comprehensive Income

Condensed Quarterly Consolidated Statement of Income

First quarter (three months) ended June 30, 2022 and 2023

(Millions of yen)

	First quarter of FY2023.3 (April 1, 2022 – June 30, 2022)	First quarter of FY2024.3 (April 1, 2023 – June 30, 2023)
Revenue	105,889	106,196
Cost of sales	(64,880)	(66,599)
Gross profit	41,009	39,596
Selling, general and administrative expenses	(30,032)	(32,927)
Core operating profit	10,977	6,669
Other income	290	279
Other expenses	(184)	(89)
Operating profit	11,083	6,859
Finance income	1,606	3,291
Finance expenses	(117)	(111)
Profit before income taxes	12,573	10,039
Income taxes	(3,951)	(3,288)
Profit for the period	8,622	6,751
Profit for the period attributable to:		
Owners of parent	8,592	6,721
Non-controlling interests	29	29
Earnings per share		
Basic (Yen)	50.08	39.64
Diluted (Yen)	—	—

Condensed Quarterly Consolidated Statement of Comprehensive Income

First quarter (three months) ended June 30, 2022 and 2023

(Millions of yen)

	First quarter of FY2023.3 (April 1, 2022 – June 30, 2022)	First quarter of FY2024.3 (April 1, 2023 – June 30, 2023)
Profit for the period	8,622	6,751
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(591)	2,052
Gains (losses) on financial assets measured at fair value through other comprehensive income	(3,519)	9,800
Total items that will not be reclassified to profit or loss	(4,111)	11,853
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	15,944	14,958
Gains (losses) on cash flow hedges	(465)	(1,622)
Total items that may be subsequently reclassified to profit or loss	15,479	13,335
Total other comprehensive income	11,368	25,188
Comprehensive income for the period	19,990	31,940
Comprehensive income for the period attributable to:		
Owners of parent	19,891	31,881
Non-controlling interests	98	58

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

First quarter of FY2023.3 (April 1, 2022—June 30, 2022)

(Millions of yen)

	Equity attributable to owners of parent						
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Remeasurements of defined benefit plans	Gains (losses) on financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations
Balance at April 1, 2022	28,534	2,114	398,516	(73,288)	—	39,659	20,521
Profit for the period	—	—	8,592	—	—	—	—
Other comprehensive income	—	—	—	—	(591)	(3,519)	15,875
Total comprehensive income for the period	—	—	8,592	—	(591)	(3,519)	15,875
Purchase of treasury shares	—	—	—	(1)	—	—	—
Dividends	—	—	(5,660)	—	—	—	—
Share-based compensation	—	(546)	—	644	—	—	—
Reclassified to retained earnings	—	—	(591)	—	591	—	—
Total transactions with owners	—	(546)	(6,252)	643	591	—	—
Balance at June 30, 2022	28,534	1,568	400,856	(72,644)	—	36,139	36,397

(Millions of yen)

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total		
	Gains (losses) on cash flow hedges	Total			
Balance at April 1, 2022	(345)	59,834	415,713	1,154	416,867
Profit for the period	—	—	8,592	29	8,622
Other comprehensive income	(465)	11,299	11,299	68	11,368
Total comprehensive income for the period	(465)	11,299	19,891	98	19,990
Purchase of treasury shares	—	—	(1)	—	(1)
Dividends	—	—	(5,660)	(56)	(5,717)
Share-based compensation	—	—	98	—	98
Reclassified to retained earnings	—	591	—	—	—
Total transactions with owners	—	591	(5,563)	(56)	(5,620)
Balance at June 30, 2022	(811)	71,726	430,040	1,196	431,237

First quarter of FY2024.3 (April 1, 2023—June 30, 2023)

(Millions of yen)

	Equity attributable to owners of parent						
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Remeasurements of defined benefit plans	Gains (losses) on financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations
Balance at April 1, 2023	28,534	1,755	428,166	(78,766)	—	47,242	30,189
Profit for the period	—	—	6,721	—	—	—	—
Other comprehensive income	—	—	—	—	2,052	9,800	14,929
Total comprehensive income for the period	—	—	6,721	—	2,052	9,800	14,929
Purchase of treasury shares	—	—	—	(8,884)	—	—	—
Dividends	—	—	(5,624)	—	—	—	—
Share-based compensation	—	(12)	—	56	—	—	—
Reclassified to retained earnings	—	—	2,058	—	(2,052)	(6)	—
Total transactions with owners	—	(12)	(3,566)	(8,828)	(2,052)	(6)	—
Balance at June 30, 2023	28,534	1,742	431,321	(87,595)	—	57,037	45,118

(Millions of yen)

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total		
	Gains (losses) on cash flow hedges	Total			
Balance at April 1, 2023	(284)	77,148	456,837	1,106	457,944
Profit for the period	—	—	6,721	29	6,751
Other comprehensive income	(1,622)	25,159	25,159	29	25,188
Total comprehensive income for the period	(1,622)	25,159	31,881	58	31,940
Purchase of treasury shares	—	—	(8,884)	—	(8,884)
Dividends	—	—	(5,624)	(40)	(5,665)
Share-based compensation	—	—	44	—	44
Reclassified to retained earnings	—	(2,058)	—	—	—
Total transactions with owners	—	(2,058)	(14,465)	(40)	(14,506)
Balance at June 30, 2023	(1,906)	100,249	474,253	1,124	475,378

(4) Notes to the Condensed Quarterly Consolidated Financial Statements

Notes Regarding Assumptions as a Going Concern

Not applicable

Segment Information

(1) Summary of reportable segments

The Group's reportable segments are composed of business units that separate financial information can be obtained and are regularly reviewed by the Board of Directors of the Company for the purpose of business performance evaluation and management resource allocation decisions.

The Group's reportable segments, based on its economic features and similarity of products and services, comprise its two principal reportable segments, which are the "musical instruments" and "audio equipment." Other businesses are included in the "others" segment.

The musical instruments segment includes the manufacture and sales of pianos; digital musical instruments; wind, string, and percussion instruments; and other music-related activities. The audio equipment segment includes the manufacture and sales of audio products, professional audio equipment, information and telecommunication equipment (ICT equipment), and certain other products. The "others" segment includes electronic devices business, automobile interior wood components, factory automation (FA) equipment, golf products, resort, and certain other lines of business.

(2) Reportable segment information

The Group's reportable segment information is as follows.

The Group reports core operating profit as segment profit. Core operating profit corresponds to operating profit under Japanese Generally Accepted Accounting Principles (GAAP) and is calculated by subtracting selling, general and administrative expenses from gross profit.

First quarter of FY2023.3 (April 1, 2022 – June 30, 2022)

(Millions of yen)

	Reportable segment			Others	Total	Adjustments	Consolidated
	Musical instruments	Audio equipment	Total				
Revenue							
Revenue from external customers	73,371	22,766	96,138	9,750	105,889	—	105,889
Intersegment revenue	—	—	—	74	74	(74)	—
Total	73,371	22,766	96,138	9,825	105,963	(74)	105,889
Core operating profit [Segment profit (loss)]	9,557	(385)	9,171	1,805	10,977	—	10,977
Other income							290
Other expenses							(184)
Operating profit							11,083
Finance income							1,606
Finance expenses							(117)
Profit before income taxes							12,573

Note: Intersegment revenue is based on the prevailing market price.

First quarter of FY2024.3 (April 1, 2023 – June 30, 2023)

(Millions of yen)

	Reportable segment			Others	Total	Adjustments	Consolidated
	Musical instruments	Audio equipment	Total				
Revenue							
Revenue from external customers	72,215	24,118	96,333	9,862	106,196	—	106,196
Intersegment revenue	—	—	—	56	56	(56)	—
Total	72,215	24,118	96,333	9,919	106,253	(56)	106,196
Core operating profit [Segment profit]	4,854	104	4,959	1,709	6,669	—	6,669
Other income							279
Other expenses							(89)
Operating profit							6,859
Finance income							3,291
Finance expenses							(111)
Profit before income taxes							10,039

Note: Intersegment revenue is based on the prevailing market price.

Contingent Liabilities

Yamaha Music Europe GmbH (hereinafter “YME”), a consolidated subsidiary of Yamaha Corporation, was served with a following collective proceedings competition law claim on December 29, 2022. No provision has been made for this lawsuit because the proceedings are not in progress and the financial impact cannot be reliably estimated at this time.

(1) Cause of action and circumstances leading to the filing of the lawsuit

YME was subject to a UK competition law decision finding that it engaged in resale price maintenance practices with one UK business partner in the online sale of our musical instrument products in the UK from March 2013 to March 2017. A collective proceedings claim has been filed by consumers alleging that the actions of the company resulted in consumers paying higher prices for products and seeking compensation for the resulting damages.

(2) Outline of the litigants

The group of plaintiffs represented by Elisabetta Sciallis of the consumer organization "Which?" (located in London, UK), and consumers in the United Kingdom of the relevant products are eligible to join the plaintiffs.

(3) Description of the lawsuit and compensation for damages

a. Description of the lawsuit

This lawsuit is against YME and YME’s parent company, the Company, claiming compensation for damages alleged to have been potentially incurred by consumers due to YME’s resale price maintenance.

b. Value of the purpose of the lawsuit

The total amount of damages claimed by the plaintiffs against YME and the Company has not been disclosed.

(4) Outlook

The size of the plaintiffs’ group and the value of the claim are expected to become known in due course.

Subsequent Events

There are no important sequent events to note.