



YAMAHA CORPORATION

Flash Report Consolidated Basis (IFRS) Results through the Second Quarter of the Fiscal Year Ending March 31, 2023 (April 1, 2022 – September 30, 2022)

November 2, 2022

Company name:	YAMAHA CORPORATION (URL https://www.yamaha.com/en/)
Code number:	7951
Stock listing:	TSE Prime Market
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Scheduled date to submit Quarterly Securities Report:	November 14, 2022
Scheduled date to begin dividend payments:	December 8, 2022
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 through the Second Quarter of FY2023.3 (April 1, 2022 – September 30, 2022)

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	%
Through the second quarter of FY2023.3	218,009	9.8	24,422	3.9	24,743	(14.0)	30,124	2.2
Through the second quarter of FY2022.3	198,498	20.4	23,504	80.4	28,775	168.0	29,472	191.5

Note: Comprehensive income: **Second quarter of FY2023.3** **¥38,417 million** **31.8%**
 Second quarter of FY2022.3 **¥29,152 million** **67.4%**

	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
Through the second quarter of FY2023.3	20,845	(2.6)	20,804	(2.9)	121.23	—
Through the second quarter of FY2022.3	21,406	201.3	21,434	202.6	122.48	—

(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	%
Second quarter of FY2023.3 (As of September 30, 2022)	593,950	448,784	447,576	75.4
FY2022.3 (As of March 31, 2022)	580,927	415,927	414,773	71.4

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
FY2022.3	—	33.00	—	33.00	66.00
FY2023.3	—	33.00			
FY2023.3 (Forecast)			—	33.00	66.00

Note: Revisions from recently announced dividend forecast: None

3. Consolidated Financial Forecasts for FY2023.3 (April 1, 2022–March 31, 2023)

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

	Revenue		Core operating profit		Operating profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2023.3	470,000	15.1	52,000	20.9	52,500	6.4

	Profit before income taxes		Profit for the period attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
FY2023.3	57,500	8.5	41,000	10.1	238.88

Note: Revisions from recently announced performance forecast: Yes

* Core operating profit corresponds to operating profit under Japanese 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)	Second quarter of FY2023.3	187,300,000 shares	FY2022.3	187,300,000 shares
(b) Number of treasury shares at the end of the period	Second quarter of FY2023.3	15,642,080 shares	FY2022.3	15,756,795 shares
(c) Average number of shares outstanding during the period (cumulative period)	Second quarter of FY2023.3	171,608,808 shares	Second quarter of FY2022.3	174,996,407 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 through the second quarter of FY2023.3, please refer to “Yamaha Reports Second Quarter (Six Months) Results for the Fiscal Year Ending March 2023 and Full Year Outlook [IFRS]”, which was released today (November 2, 2022).

(Revisions from Recently Announced Consolidated Financial Forecasts)

Despite the continued shortages in product supply mainly due to semiconductor procurement difficulties, as well as the prolonged lockdown in China and the effect of the slowdown in demand for entry models, the Company has revised its forecasts upward for revenue, core operating profit, operating profit, profit before income taxes, and profit for the period attributable to owners of parent due to revision of foreign exchange rates and other factors. As a result, the Company has revised the full-year earnings forecast for the fiscal year ending March 31, 2023, which was announced on August 3, 2022, from ¥460.0 billion in revenue to ¥470.0 billion; from ¥50.0 billion in core operating profit to ¥52.0 billion; from ¥50.0 billion in operating profit to ¥52.5 billion; from ¥52.0 billion in profit before income taxes to ¥57.5 billion; and from ¥37.5 billion in profit for the period attributable to owners of parent to ¥41.0 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.

Table of Contents of Supplementary Materials

1. Condensed Quarterly Consolidated Financial Statements and Major Notes	2
(1) Condensed Quarterly Consolidated Statement of Financial Position	2
(2) Condensed Quarterly Consolidated Statement of Income and Condensed Quarterly Consolidated Statement of Comprehensive Income	4
(3) Condensed Quarterly Consolidated Statement of Changes in Equity	6
(4) Notes to the Condensed Quarterly Consolidated Financial Statements	8
Notes Regarding Assumptions as a Going Concern	8
Segment Information	8
Subsequent Events	9

1. Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	FY2022.3 (as of March 31, 2022)	Second quarter of FY2023.3 (as of September 30, 2022)
Assets		
Current assets		
Cash and cash equivalents	172,495	139,836
Trade and other receivables	60,018	64,438
Other financial assets	4,352	2,646
Inventories	118,640	156,520
Other current assets	7,169	8,630
Total current assets	362,676	372,072
Non-current assets		
Property, plant and equipment	102,898	107,427
Right-of-use assets	21,655	22,244
Goodwill	177	210
Intangible assets	3,045	3,179
Financial assets	70,319	67,942
Deferred tax assets	7,892	9,952
Other non-current assets	12,261	10,920
Total non-current assets	218,250	221,878
Total assets	580,927	593,950

(Millions of yen)

	FY2022.3 (as of March 31, 2022)	Second quarter of FY2023.3 (as of September 30, 2022)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	63,184	64,953
Interest-bearing debt	10,523	1,733
Lease liabilities	5,727	5,621
Other financial liabilities	10,156	10,147
Income tax payables	20,260	7,542
Provisions	2,086	1,993
Other current liabilities	14,174	13,498
Total current liabilities	126,114	105,489
Non-current liabilities		
Lease liabilities	11,647	10,784
Financial liabilities	110	118
Retirement benefit liabilities	14,544	16,340
Provisions	2,399	2,418
Deferred tax liabilities	7,954	7,794
Other non-current liabilities	2,228	2,218
Total non-current liabilities	38,884	39,675
Total liabilities	164,999	145,165
Equity		
Capital stock	28,534	28,534
Capital surplus	2,114	1,630
Retained earnings	397,665	411,734
Treasury shares	(73,288)	(72,646)
Other components of equity	59,746	78,323
Equity attributable to owners of parent	414,773	447,576
Non-controlling interests	1,154	1,208
Total equity	415,927	448,784
Total liabilities and equity	580,927	593,950

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

Condensed Quarterly Consolidated Statement of Income

Second quarter (six months) ended September 30, 2021 and 2022

	(Millions of yen)	
	Second quarter of FY2022.3 (April 1, 2021 – September 30, 2021)	Second quarter of FY2023.3 (April 1, 2022 – September 30, 2022)
Revenue	198,498	218,009
Cost of sales	(121,511)	(133,824)
Gross profit	76,986	84,184
Selling, general and administrative expenses	(53,481)	(59,762)
Core operating profit	23,504	24,422
Other income	5,847	817
Other expenses	(576)	(497)
Operating profit	28,775	24,743
Finance income	2,765	5,610
Finance expenses	(2,067)	(228)
Profit before income taxes	29,472	30,124
Income taxes	(8,066)	(9,279)
Profit for the period	21,406	20,845
Profit for the period attributable to:		
Owners of parent	21,434	20,804
Non-controlling interests	(28)	41
Earnings per share		
Basic (Yen)	122.48	121.23
Diluted (Yen)	—	—

Condensed Quarterly Consolidated Statement of Comprehensive Income

Second quarter (six months) ended September 30, 2021 and 2022

(Millions of yen)

	Second quarter of FY2022.3 (April 1, 2021 – September 30, 2021)	Second quarter of FY2023.3 (April 1, 2022 – September 30, 2022)
Profit for the period	21,406	20,845
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	1,227	(1,074)
Gains (losses) on financial assets measured at fair value through other comprehensive income	3,866	(1,646)
Total items that will not be reclassified to profit or loss	5,094	(2,720)
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	2,172	20,322
Gains (losses) on cash flow hedges	480	(29)
Total items that may be subsequently reclassified to profit or loss	2,652	20,292
Total other comprehensive income	7,746	17,571
Comprehensive income for the period	29,152	38,417
Comprehensive income for the period attributable to:		
Owners of parent	29,158	38,306
Non-controlling interests	(6)	110

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Second quarter of FY2022.3 (April 1, 2021 – September 30, 2021)

(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, 2021	28,534	21,430	337,923	(65,086)	—	71,786	1,494
Profit for the period	—	—	21,434	—	—	—	—
Other comprehensive income	—	—	—	—	1,227	3,866	2,150
Total comprehensive income for the period	—	—	21,434	—	1,227	3,866	2,150
Purchase of treasury shares	—	—	—	(19,895)	—	—	—
Dividends	—	—	(5,801)	—	—	—	—
Share-based compensation	—	72	—	16	—	—	—
Reclassified to retained earnings	—	—	32,402	—	(1,227)	(31,175)	—
Total transactions with owners	—	72	26,601	(19,878)	(1,227)	(31,175)	—
Balance at September 30, 2021	28,534	21,502	385,959	(84,965)	—	44,477	3,644

(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, 2021	(123)	73,156	395,958	991	396,949
Profit for the period	—	—	21,434	(28)	21,406
Other comprehensive income	480	7,724	7,724	21	7,746
Total comprehensive income for the period	480	7,724	29,158	(6)	29,152
Purchase of treasury shares	—	—	(19,895)	—	(19,895)
Dividends	—	—	(5,801)	(68)	(5,870)
Share-based compensation	—	—	88	—	88
Reclassified to retained earnings	—	(32,402)	—	—	—
Total transactions with owners	—	(32,402)	(25,608)	(68)	(25,677)
Balance at September 30, 2021	356	48,478	399,509	916	400,425

Second quarter of FY2023.3 (April 1, 2022 – September 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	397,665	(73,288)	—	39,659	20,432
Profit for the period	—	—	20,804	—	—	—	—
Other comprehensive income	—	—	—	—	(1,074)	(1,646)	20,252
Total comprehensive income for the period	—	—	20,804	—	(1,074)	(1,646)	20,252
Purchase of treasury shares	—	—	—	(3)	—	—	—
Dividends	—	—	(5,660)	—	—	—	—
Share-based compensation	—	(484)	—	644	—	—	—
Reclassified to retained earnings	—	—	(1,074)	—	1,074	—	—
Total transactions with owners	—	(484)	(6,735)	641	1,074	—	—
Balance at September 30, 2022	28,534	1,630	411,734	(72,646)	—	38,013	40,685

(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		Total	
Balance at April 1, 2022	(345)	59,746	414,773	1,154	415,927
Profit for the period	—	—	20,804	41	20,845
Other comprehensive income	(29)	17,502	17,502	69	17,571
Total comprehensive income for the period	(29)	17,502	38,306	110	38,417
Purchase of treasury shares	—	—	(3)	—	(3)
Dividends	—	—	(5,660)	(56)	(5,717)
Share-based compensation	—	—	160	—	160
Reclassified to retained earnings	—	1,074	—	—	—
Total transactions with owners	—	1,074	(5,503)	(56)	(5,560)
Balance at September 30, 2022	(375)	78,323	447,576	1,208	448,784

(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, 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 GAAP and is calculated by subtracting selling, general and administrative expenses from gross profit.

Second quarter of FY2022.3 (April 1, 2021 – September 30, 2021)

(Millions of yen)

	Reportable segment			Others	Total	Adjustments	Consolidated
	Musical instruments	Audio equipment	Total				
Revenue							
Revenue from external customers	133,845	47,406	181,252	17,245	198,498	—	198,498
Intersegment revenue	—	—	—	175	175	(175)	—
Total	133,845	47,406	181,252	17,421	198,674	(175)	198,498
Core operating profit [Segment profit]	19,281	1,605	20,886	2,618	23,504	—	23,504
Other income							5,847
Other expenses							(576)
Operating profit							28,775
Finance income							2,765
Finance expenses							(2,067)
Profit before income taxes							29,472

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

Second quarter of FY2023.3 (April 1, 2022 – September 30, 2022)

(Millions of yen)

	Reportable segment			Others	Total	Adjustments	Consolidated
	Musical instruments	Audio equipment	Total				
Revenue							
Revenue from external customers	150,101	47,448	197,549	20,460	218,009	—	218,009
Intersegment revenue	—	—	—	154	154	(154)	—
Total	150,101	47,448	197,549	20,614	218,164	(154)	218,009
Core operating profit [Segment profit]	20,550	454	21,005	3,417	24,422	—	24,422
Other income							817
Other expenses							(497)
Operating profit							24,743
Finance income							5,610
Finance expenses							(228)
Profit before income taxes							30,124

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

Subsequent Events

There are no important sequent events to note.