YAMAHA CORPORATION

Flash Report
Consolidated Basis (IFRS)
Results for the Fiscal Year Ended March 31, 2024
(April 1, 2023—March 31, 2024)

May 8, 2024

Company name:	YAMAHA CORPORATION (URL https://www.yamaha.com/en/)
Code number:	7951
Stock listing:	TSE Prime Market
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Scheduled date of Ordinary General Shareholders' Meeting:	June 24, 2024
Scheduled date to submit Securities Report:	June 25, 2024
Scheduled date to begin dividend payments:	June 25, 2024
Supplementary materials to the financial statements have been prepared:	Yes
Presentation will be held to explain the financial results:	Yes (for securities analysts and institutional investors)

1. Consolidated Financial Results for FY2024.3 (April 1, 2023—March 31, 2024)

Figures of less than ¥1 million have been omitted.

(1) Consolidated Operating Results

(Percentage figures are changes from 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	%
FY2024.3 (Ended March 31, 2024)	**462,866**	**2.5**	**33,653**	**(26.6)**	**28,999**	**(37.6)**	**37,629**	**(25.6)**
FY2023.3 (Ended March 31, 2023)	451,410	10.6	45,867	6.6	46,484	(5.8)	50,552	(4.7)

Note: Comprehensive income: **FY2024.3 ¥83,525 million 43.3%**
FY2023.3 ¥58,297 million (0.7%)

	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
FY2024.3 (Ended March 31, 2024)	**29,776**	**(22.0)**	**29,642**	**(22.4)**	**175.68**	**—**
FY2023.3 (Ended March 31, 2023)	38,177	2.2	38,183	2.5	222.64	—

	Profit ratio for the period to the share attributable to owners of parent	Profit ratio before income taxes to total assets	Core operating profit ratio to revenue
	%	%	%
FY2024.3 (Ended March 31, 2024)	**6.1**	**6.0**	**7.3**
FY2023.3 (Ended March 31, 2023)	8.8	8.6	10.2

(For reference) Share of profit of associates accounted for using the equity method: **FY2024.3 ¥— million**
FY2023.3 ¥— million

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity ratio attributable to owners of parent	Equity per share attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	%	Yen
FY2024.3 (As of March 31, 2024)	**666,837**	**511,810**	**510,592**	**76.6**	**3,075.72**
FY2023.3 (As of March 31, 2023)	594,209	457,944	456,837	76.9	2,680.32

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2024.3 (As of March 31, 2024)	**43,836**	**(15,903)**	**(37,263)**	**101,587**
FY2023.3 (As of March 31, 2023)	(14,841)	(21,563)	(35,287)	103,886

2. Dividends

	Annual dividends					Total dividends (annual)	Consolidated payout ratio	Consolidated payout ratio attributable to owners of parent
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full fiscal year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2023.3	—	33.00	—	33.00	66.00	11,289	29.6	2.6
FY2024.3	—	37.00	—	37.00	74.00	12,387	42.1	2.6
FY2025.3 (Forecast)	—	37.00	—	37.00	74.00		35.8	

3. Consolidated Financial Forecasts for FY2025.3 (April 1, 2024–March 31, 2025)

	Revenue		Core operating profit		Operating profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2025.3	465,000	0.5	45,000	33.7	45,000	55.2

	Profit before income taxes		Profit for the period attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
FY2025.3	46,500	23.6	34,000	14.7	206.86

* Core operating profit corresponds to operating profit under Japanese GAAP and is calculated by subtracting selling, general and administrative expenses from gross profit.

Footnote

(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: —
Note: Although Yamaha Music Philippines Inc. is not applicable to changes in significant subsidiaries, it is included in the scope of consolidation from the third quarter of the consolidated fiscal year ended March 31, 2024 due to its increased materiality.

(2) Changes in accounting policies and changes in accounting estimates
(a) Changes in accounting policies required by IFRS: Yes
(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)	FY2024.3	187,300,000 shares	FY2023.3	187,300,000 shares
(b) Number of treasury shares at the end of the period	FY2024.3	21,292,664 shares	FY2023.3	16,858,633 shares
(c) Average number of shares outstanding during the period (cumulative period)	FY2024.3	168,728,447 shares	FY2023.3	171,502,213 shares

(For Reference) Non-Consolidated Results

Non-consolidated results for FY2024.3 (April 1, 2023–March 31, 2024)

(1) Non-consolidated operating results

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2024.3 (Ended March 31, 2024)	262,082	1.4	14,933	(26.4)	29,347	(31.9)	34,001	(3.1)
FY2023.3 (Ended March 31, 2023)	258,389	18.7	20,284	68.3	43,104	5.4	35,090	(48.3)

	Net income per share	Net income per share after full dilution
	Yen	Yen
FY2024.3 (Ended March 31, 2024)	201.52	—
FY2023.3 (Ended March 31, 2023)	204.61	—

(2) Non-consolidated financial data

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2024.3 (Ended March 31, 2024)	424,520	324,684	76.5	1,955.85
FY2023.3 (Ended March 31, 2023)	386,593	304,055	78.6	1,783.93

(For reference) Shareholders' equity: FY2024.3 ¥324,684 million FY2023.3 ¥304,055 million

***This flash report is exempt from the auditing procedures by certified public accountants or audit firms.**

***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 items related to consolidated performance forecasts, please refer to page 4.

The materials distributed at the presentation of financial statements and other materials will be posted on the Company's website immediately after the presentation is concluded.

Table of Contents of Supplementary Materials

1. Management Performance

(1) Overview of Management Performance

1. Review of the Fiscal Year (FY2024.3)

Looking back at the business environment in FY2024.3, the global economy has been gradually recovering in line with the downgrade of COVID-19 to Class 5 and daily lives returning to the pre-pandemic normal. However, the outlook of the environment surrounding Yamaha remains uncertain due to such factors as the decline in demand caused by the reactionary movement of stay-at-home demand, the stagnation of the Chinese economy, and global trend of rising prices including energy and raw material prices.

Under these conditions, the Yamaha Group has positioned the three-year period of its medium-term management plan "Make Waves 2.0" as an opportunity to enhance sustainable growth capability in the post COVID-19 new society. The aim is to realize "Well-Being of People around the World," and the Yamaha Group has been implementing various measures under three policies to "Further strengthen the business foundations," "Set sustainability as a source of value" and "Enable Yamaha colleagues to be more valued, more engaged and more committed."

Further strengthen the business foundations
On the subject of "developing closer ties with customers," Yamaha decided to merge its wholesale subsidiary and retail sales sub-subsidiary in Japan to consolidate distributors, directly owned stores, and schools and continues to promote demand creation and brand value. Overseas, Yamaha set up Yamaha Music Philippines Inc. in the Philippines, a country whose rapidly growing population is familiar with Western music and where growth is expected. In the industrial machinery and components business, Toyota Motor Corporation has incorporated the Group's automotive sound system in its premier new Century model, following Mitsubishi Motors Corporation, demonstrating an increase in customers in new domains as well.

In the category of "creating new value," Yamaha singled out three types of musical experiences it provides as business areas to prepare for the launch of the Yamaha Music Connect service: "music edutainment (learning), creative discovery (creating), and music connection (meeting)," bringing about new ways to enjoy music and sound.

In the area of "being more flexible and resilient," the Group decided to implement an absorption-type merger of a domestic production subsidiary. It aims to reestablish its Japanese manufacturing platform and create a sustainable production structure able to drive global manufacturing by consolidating headquarters' strategic functions with production sites. Yamaha also set up a semiconductor procurement company in Malaysia to facilitate the stable supply of semiconductors. The Group is using the lessons learned from its experience of multicausal supply chain disruptions to improve the resilience of its production apparatus so that it can quickly react to sudden environmental changes.

Setting sustainability as a source of value
To "build a value chain that supports the future of the earth and society," Yamaha promoted energy-saving initiatives such as the installation of additional solar-power plants and the visualization of electric power usage through the inclusion of a power monitoring system at production sites. Furthermore, with respect to the evaluation of its climate change-related information disclosure, the Group obtained an 'A' score from the CDP, which is the highest rating. It continues to gradually advance initiatives to reach carbon neutrality by 2050.

In the field of "enhancing brand and competitiveness by contributing to comfortable lives," Yamaha provided the "Omotenashi guide" intercom service which allows easy communication with crewmembers in trains on the Tokaido Shinkansen line, and the "SoundUD Announcement" service (announcements in your language), which transcribes announcements in all Tokyo Metro stations on the user's smartphone. These accomplishments exemplify the Group's ability to contribute to the realization of full lives using its technologies accumulated in sound and music.

In the area of "expanding market through the promotion and development of music culture," Yamaha is progressing significantly faster than expected in its "school projects" initiatives, with 3 million people already benefiting from programs aiming to spread musical education in emerging countries as of the second year, against the 2.3 million cumulative target set originally. In Japan, through the Japan Musical Instruments Association, the Group support the activities of high school light music clubs in cooperation with schools and local music stores to further revitalize music culture among young people.

Enable Yamaha colleagues to be more valued, more engaged and more committed
In terms of "increasing job satisfaction," the Group has introduced a talent management system and enhanced mechanisms to encourage employees to autonomously plan their careers. Going forward, it will continue to further strengthen support for human resource development to acquire essential skills.

To "promote respect for human rights and DE&I," Yamaha has made progress in creating an environment in which a diverse workforce can thrive, including enhanced support for the development of female leaders and the promotion of cross-border assignments. In addition, for the fifth consecutive year, the Group received the "Gold" rating by the Pride Index 2023, an evaluation index for LGBTQ+ activities in the workplace. It remains committed to creating a corporate culture that capitalizes on the individuality of its diverse employees.

To "foster open organizational culture where people can proactively take on challenges," Yamaha is cultivating an organizational culture of mutual respect and psychological safety, by proactively stimulating communication between organizations and creating various dialogue opportunities.

In FY2024.3, revenue increased by ¥11,455 million (+2.5%) year on year to ¥462,866 million. This increase was due to the strong sales of audio equipment for business use as well as the impact of the yen depreciation, despite sluggish sales of musical instruments due to a slower return of demand for digital pianos and the prolonged market slump in the Chinese market.

Core operating profit decreased by ¥12,213 million (-26.6%) year on year to ¥33,653 million, partly due to lower sales in the musical instruments business and production adjustments to reduce inventories. Profit attributable to owners of the parent was ¥29,642 million, down ¥8,541 million (-22.4%) year on year, due to the recording of a loss of ¥4,329 million as business restructuring expenses, including ¥3,168 million of impairment loss on the piano manufacturing process in China and Indonesia.

Results of operations by segment were as follows:

Musical Instruments
Revenue of acoustic pianos declined due to sluggish sales in China. Revenue of digital musical instruments decreased due to decline in demand for digital pianos and a lack of progress in shipments because of high market inventories. On the other hand, revenue of wind, string and percussion instruments increased significantly due to strong demand. Revenue of guitars increased significantly due to strong sales of electric guitars and the addition of the acquired Cordoba Music Group, LLC.

As a result, revenue of the musical instruments segment overall increased by ¥2,541 million (+0.8%) year on year to ¥305,195 million due to the depreciation of the yen despite a real decrease in revenue. Core operating profit decreased by ¥10,883 million (-30.1%) year on year to ¥25,317 million mainly due to a real decrease in revenue and production adjustments to reduce inventories.

Audio Equipment
Revenue of business for consumer use declined due to continued sluggish market conditions. Revenue of business for business use increased significantly due to steady demand for professional audio equipment and the effect of new products.

As a result, revenue of the audio equipment segment overall increased by ¥13,467 million (+12.5%) year on year to ¥121,108 million. Core operating profit increased by ¥2,943 million (+84.9%) year on year to ¥6,409 million.

Others
Revenue of electronic devices increased due to expanded adoption of automotive sound system, while revenue of golf products declined significantly.

As a result, revenue of the others segment overall decreased by ¥4,553 million (-11.1%) year on year to ¥36,562 million. Core operating profit declined by ¥ 4,273 million (-68.9%) year on year to ¥1,926 million.

2. Forecast for FY2025.3

Amid continued uncertainty in the market, and considering the market slump in China, the Company expects revenue to remain flat year on year but incorporated the improved model mix and cost reduction effects of business restructuring. As a result, the Company forecasts its revenue of ¥465 billion, core operating profit of ¥45 billion, and profit for the period attributable to owners of the parent of ¥34 billion, incorporating the cost reduction effects due to business restructuring and other factors.

Of note, the foreign currency exchange rates used in computing these forecasts are ¥145 to US$1 and ¥155 to €1.

> The forward-looking statements in this flash report contain inherent risks and uncertainties insofar as they are based on future projections and plans that may differ materially from the actual results achieved.

(2) Overview of Financial Position

1. Consolidated Financial Position

Total assets at the end of this consolidated fiscal year amounted to ¥666,837 million, an increase of ¥72,628 million (+12.2%) from ¥594,209 million at the end of the previous fiscal year. Current assets increased by ¥22,660 million (+6.5%) from the end of the previous fiscal year to ¥369,346 million, and non-current assets increased by ¥49,967 million (+20.2%) to ¥297,491 million. In current assets, trade and other receivables as well as inventories increased due to the impact of exchange rate fluctuations and other factors. In non-current assets, financial assets increased due to a rise in market value of securities held and property, plant and equipment grew due to capital investment.

Total liabilities at the end of this consolidated fiscal year were ¥155,027 million, an increase of ¥18,761 million (+13.8%) from ¥136,265 million at the end of the previous fiscal year. Current liabilities increased by ¥10,585 million (+11.1%) from the end of the previous fiscal year to ¥105,688 million, and non-current liabilities increased by ¥8,176 million (+19.9%) to ¥49,338 million. In current liabilities, trade and other payables increased due to the increase of amount payables and the impact of exchange rate fluctuations. In non-current liabilities, deferred tax liabilities increased due to changes in the market value of securities held.

Total equity at the end of this fiscal year amounted to ¥511,810 million, an increase of ¥53,866 million (+11.8%) from ¥457,944 million at the end of the previous fiscal year. The overall increase was due to an increase in retained earnings resulting from the recording of profit for the period along with an increase in other components of equity resulting from the impact of foreign exchange fluctuations and a net increase in the market value of securities held, despite the generation of shareholder returns through the purchase of treasury shares and dividend payments.

2. Cash Flows

Cash and cash equivalents (hereinafter "cash") at the end of the fiscal year decreased ¥ 2,299 million (compared to a decrease of ¥ 68,608 million in the previous fiscal year) and stood at ¥101,587 million.

Cash Flows from Operating Activities

Cash flow from operating activities for the fiscal year was an inflow of ¥43,836 million against profit before income taxes (compared to a cash outflow of ¥14,841 million in the previous fiscal year due mainly to an increase in inventories, as well as the payment of income taxes on the sale of investment securities in the fiscal year ended March 31, 2022).

Cash Flows from Investing Activities

Cash flow from investing activities for the fiscal year was an outflow of ¥15,903 million (compared to a cash outflow of ¥21,563 million in the previous fiscal year primarily due to the purchase of property, plant and equipment). This net cash outflow was primarily due to the purchase of property, plant and equipment, including the construction of Yokohama Symphostage (Yokohama City, Kanagawa Prefecture) and the new Headquarters building (Hamamatsu City, Shizuoka Prefecture), despite a cash inflow from the sale of investment securities.

Cash Flows from Financing Activities

Cash flow from financing activities for the fiscal year was an outflow of ¥37,263 million (compared to a cash outflow of ¥35,287 million in the previous fiscal year primarily due to the repayment of short-term borrowings associated with the expansion of intragroup financing, payment of cash dividends, and the purchase of its treasury shares). This net cash outflow was primarily due to the purchase of treasury shares and the payment of dividends.

3. Forecasts for FY2025.3

For FY2025.3, the Company forecasts cash inflows from operating activities of ¥72 billion, cash outflows from investing activities of ¥25 billion, and a free cash inflow of ¥47 billion.

The forward-looking statements in this flash report contain inherent risks and uncertainties insofar as they are based on future projections and plans that may differ materially from the actual results achieved.

(3) Basic Policy for Allocation of Profit and Dividends for FY2024.3 and FY2025.3

In consideration of the improvement of return on equity (ROE) attributable to owners of parent, the Company undertakes investments for growth—including investments in R&D, marketing capabilities, and capital investments—based on its medium-term consolidated profit level, while actively returning profits to shareholders.

The Company's basic policy is to provide continuous and stable dividends to shareholders, and strike a balance between these dividend payments and appropriate retained earnings for investments in future growth while occasionally implementing flexible shareholder returns to improve capital efficiency. Its target consolidated total return ratio is 50% on a cumulative basis over the medium-term management plan period.

For the year-end dividend for March 31, 2024, the Company plans to pay a regular dividend on its common shares of ¥37.00 per share (¥74.00 per share for the full fiscal year) in view of the above-mentioned policy, its financial position, and other factors. Regarding dividends for the fiscal year ending March 31, 2025, the Company is planning to pay a regular dividend of ¥74.00 per share for the full fiscal year (consisting of an interim dividend of ¥37.00 per share and a year-end dividend of ¥37.00 per share).

The forward-looking statements in this flash report contain inherent risks and uncertainties insofar as they are based on future projections and plans that may differ materially from the actual results achieved.

2. Basic Approach to Selection of Accounting Standards

The Yamaha Group has voluntarily adopted the International Financial Reporting Standards (IFRS), with the aims of increasing the feasibility of international comparisons of financial information in financial markets and improving the level of management globally.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Statement of Financial Position

(Millions of yen)

	FY2023.3 (as of March 31, 2023) (Note)	FY2024.3 (as of March 31, 2024)
Assets		
Current assets		
Cash and cash equivalents	103,886	101,587
Trade and other receivables	75,392	88,015
Other financial assets	1,089	4,861
Inventories	153,671	164,149
Other current assets	12,645	10,733
Total current assets	346,685	369,346
Non-current assets		
Property, plant and equipment	112,145	126,526
Right-of-use assets	21,852	24,141
Goodwill	1,053	1,194
Intangible assets	6,393	6,235
Financial assets	80,738	103,452
Retirement benefit assets	14,018	21,803
Deferred tax assets	9,716	12,229
Other non-current assets	1,605	1,908
Total non-current assets	247,524	297,491
Total assets	594,209	666,837

Note: See (5) Notes to the Consolidated Financial Statements, Business Combination

(Millions of yen)

	FY2023.3 (as of March 31, 2023) (Note)	FY2024.3 (as of March 31, 2024)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	60,536	65,775
Interest-bearing debt	1,489	992
Lease liabilities	5,733	5,964
Other financial liabilities	9,909	9,499
Income taxes payables	2,851	7,595
Provisions	2,114	3,447
Other current liabilities	12,468	12,414
Total current liabilities	95,103	105,688
Non-current liabilities		
Interest-bearing debt	6	—
Lease liabilities	10,440	10,977
Other financial liabilities	74	365
Retirement benefit liabilities	14,067	14,525
Provisions	2,744	2,876
Deferred tax liabilities	11,704	18,230
Other non-current liabilities	2,123	2,362
Total non-current liabilities	41,162	49,338
Total liabilities	136,265	155,027
Equity		
Capital stock	28,534	28,534
Capital surplus	1,755	1,974
Retained earnings	428,166	458,299
Treasury shares	(78,766)	(96,568)
Other components of equity	77,148	118,352
Equity attributable to owners of parent	456,837	510,592
Non-controlling interests	1,106	1,218
Total equity	457,944	511,810
Total liabilities and equity	594,209	666,837

Note: See (5) Notes to the Consolidated Financial Statements, Business Combination

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

Consolidated Statement of Income

(Millions of yen)

	FY2023.3 (April 1, 2022－March 31, 2023)	FY2024.3 (April 1, 2023－March 31, 2024)
Revenue	451,410	462,866
Cost of sales	(280,270)	(291,784)
Gross profit	171,139	171,081
Selling, general and administrative expenses	(125,272)	(137,428)
Core operating profit	45,867	33,653
Other income	2,006	1,470
Other expenses	(1,389)	(6,124)
Operating profit	46,484	28,999
Finance income	4,509	9,192
Finance expenses	(441)	(561)
Profit before income taxes	50,552	37,629
Income taxes	(12,375)	(7,852)
Profit for the period	38,177	29,776
Profit for the period attributable to:		
Owners of parent	38,183	29,642
Non-controlling interests	(6)	134
Earnings per share		
Basic (Yen)	222.64	175.68
Diluted (Yen)	—	—

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2023.3 (April 1, 2022－March 31, 2023)	FY2024.3 (April 1, 2023－March 31, 2024)
Profit for the period	38,177	29,776
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	2,660	5,885
Financial assets measured at fair value through other comprehensive income	7,714	23,255
Total items that will not be reclassified to profit or loss	10,374	29,141
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	9,683	24,323
Gain or loss on cash flow hedges	61	284
Total items that may be subsequently reclassified to profit or loss	9,744	24,607
Total other comprehensive income	20,119	53,748
Comprehensive income for the period	58,297	83,525
Comprehensive income for the period attributable to:		
Owners of parent	58,288	83,310
Non-controlling interests	8	214

(3) Consolidated Statement of Changes in Equity

FY2023.3 (April 1, 2022－March 31, 2023)

(Millions of yen)

	Equity attributable to owners of parent						
					Other components of equity		
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Remeasurements of defined benefit plans	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	—	—	38,183	—	—	—	—
Other comprehensive income	—	—	—	—	2,660	7,714	9,668
Total comprehensive income for the period	—	—	38,183	—	2,660	7,714	9,668
Purchase of treasury shares	—	—	—	(6,123)	—	—	—
Dividends	—	—	(11,325)	—	—	—	—
Share-based compensation	—	(359)	—	644	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—
Changes in the ownership interest of a subsidiary without a loss of control	—	—	—	—	—	—	—
Reclassified to retained earnings	—	—	2,791	—	(2,660)	(130)	—
Total transactions with owners	—	(359)	(8,534)	(5,478)	(2,660)	(130)	—
Balance at March 31, 2023	28,534	1,755	428,166	(78,766)	—	47,242	30,189

(Millions of yen)

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total		
	Gain or loss on cash flow hedges	Total			
Balance at April 1, 2022	(345)	59,834	415,713	1,154	416,867
Profit for the period	—	—	38,183	(6)	38,177
Other comprehensive income	61	20,104	20,104	15	20,119
Total comprehensive income for the period	61	20,104	58,288	8	58,297
Purchase of treasury shares	—	—	(6,123)	—	(6,123)
Dividends	—	—	(11,325)	(56)	(11,382)
Share-based compensation	—	—	285	—	285
Change in scope of consolidation	—	—	—	—	—
Changes in the ownership interest of a subsidiary without a loss of control	—	—	—	—	—
Reclassified to retained earnings	—	(2,791)	—	—	—
Total transactions with owners	—	(2,791)	(17,163)	(56)	(17,220)
Balance at March 31, 2023	(284)	77,148	456,837	1,106	457,944

F2024.3 (April 1, 2023－March 31, 2024)

(Millions of yen)

	Equity attributable to owners of parent						
					Other components of equity		
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Remeasurements of defined benefit plans	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	—	—	29,642	—	—	—	—
Other comprehensive income	—	—	—	—	5,885	23,255	24,243
Total comprehensive income for the period	—	—	29,642	—	5,885	23,255	24,243
Purchase of treasury shares	—	—	—	(17,858)	—	—	—
Dividends	—	—	(11,869)	—	—	—	—
Share-based compensation	—	161	—	56	—	—	—
Change in scope of consolidation	—	—	(103)	—	—	—	—
Changes in the ownership interest of a subsidiary without a loss of control	—	57	—	—	—	—	—
Reclassified to retained earnings	—	—	12,464	—	(5,885)	(6,579)	—
Total transactions with owners	—	219	491	(17,801)	(5,885)	(6,579)	—
Balance at March 31, 2024	28,534	1,974	458,299	(96,568)	—	63,919	54,432

(Millions of yen)

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total		
	Gain or loss on cash flow hedges	Total			
Balance at April 1, 2023	(284)	77,148	456,837	1,106	457,944
Profit for the period	—	—	29,642	134	29,776
Other comprehensive income	284	53,668	53,668	79	53,748
Total comprehensive income for the period	284	53,668	83,310	214	83,525
Purchase of treasury shares	—	—	(17,858)	—	(17,858)
Dividends	—	—	(11,869)	(40)	(11,910)
Share-based compensation	—	—	218	—	218
Change in scope of consolidation	—	—	(103)	—	(103)
Changes in the ownership interest of a subsidiary without a loss of control	—	—	57	(62)	(4)
Reclassified to retained earnings	—	(12,464)	—	—	—
Total transactions with owners	—	(12,464)	(29,556)	(102)	(29,658)
Balance at March 31, 2024	—	118,352	510,592	1,218	511,810

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY2023.3 (April 1, 2022－March 31, 2023)	FY2024.3 (April 1, 2023－March 31, 2024)
Cash flows from operating activities:		
Profit before income taxes	50,552	37,629
Depreciation and amortization	19,270	21,023
Impairment losses (reversal of impairment losses)	62	3,495
Finance income and finance expenses	(4,310)	(8,013)
Loss (gain) on disposal or sales of property, plant and equipment and intangible assets	5	6
(Increase) decrease in inventories	(28,251)	2,112
(Increase) decrease in trade and other receivables	(12,369)	(7,003)
Increase (decrease) in trade and other payables	(4,476)	(2,827)
Increase (decrease) in retirement benefit assets and liabilities	(327)	103
Increase (decrease) in provisions	(295)	1,601
Increase (decrease) in amount payables due to transition to defined contribution plans	(31)	320
Other, net	(1,906)	(331)
Subtotal	17,921	48,117
Interest and dividends income received	3,663	4,469
Interest expenses paid	(453)	(516)
Income taxes refunded (paid)	(35,973)	(8,233)
Cash flows from operating activities	(14,841)	43,836
Cash flows from investing activities:		
Net (increase) decrease in time deposits	3,517	(3,521)
Purchase of property, plant and equipment and intangible assets	(20,726)	(22,920)
Proceeds from sales of property, plant and equipment and intangible assets	227	307
Purchase of investment securities	(1)	(29)
Proceeds from sales and redemption of investment securities	615	10,363
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,898)	—
Other, net	(297)	(102)
Cash flows from investing activities	(21,563)	(15,903)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(8,965)	(631)
Repayments of long-term borrowings	(1,890)	(19)
Repayment of lease liabilities	(6,356)	(6,397)
Purchase of treasury shares	(6,123)	(17,380)
(Increase) decrease in deposits for purchase of treasury shares	(477)	(924)
Cash dividends paid	(11,325)	(11,869)
Purchase of shares of subsidiaries that do not result in change in scope of consolidation	—	(1)
Cash dividends paid to non-controlling interests	(56)	(40)
Other, net	(90)	1
Cash flows from financing activities	(35,287)	(37,263)
Effect of exchange rate change on cash and cash equivalents	3,083	6,926
Net increase (decrease) in cash and cash equivalents	(68,608)	(2,403)
Cash and cash equivalents at beginning of period	172,495	103,886
Increase in cash and cash equivalents from newly consolidated subsidiaries	—	103
Cash and cash equivalents at end of period	103,886	101,587

(5) Notes to the Consolidated Financial Statements

Notes Regarding Assumptions as a Going Concern

Not applicable

Changes in Accounting Policies

The Group has adopted the following standards effective from the fiscal year ended March 31, 2024.

IFRS	Overview of new and revised standards
IAS 1 Presentation of Financial Statements	Revised to require disclosure of material accounting policies instead of significant accounting policies.
IAS 12 Income Taxes	Clarifies accounting for deferred taxes related to assets and liabilities arising from a single transaction

The adoption of the above standards did not have a material impact on the Consolidated Financial Statements for the fiscal year ended March 31, 2024.

Business Combination

With respect to Cordoba Music Group, LLC, which was acquired by Yamaha Guitar Group, Inc., a consolidated subsidiary of the Company, on February 7, 2023, provisional accounting treatment was applied because the allocation of the consideration for the acquisition was not completed at the end of the previous fiscal year. However, since the allocation of the acquisition consideration was completed in the second quarter of the current consolidated fiscal year, the tentatively calculated amount has been revised. The consideration paid has also been revised due to the completion of adjustments based on the balance of cash, deposits and liabilities as well as changes in working capital at the time of closing.

In conjunction with the finalization of this provisional accounting treatment, the amounts as of the end of the previous fiscal year in the Consolidated Statement of Financial Position have been retroactively adjusted. The main resulting changes were an increase in inventories and intangible assets of ¥102 million and ¥3,418 million, respectively, and a decrease in goodwill of ¥3,572 million, compared to before the retroactive adjustment.

(1) Fair value of consideration paid, assets acquired and liabilities assumed as of the acquisition date

(Millions of yen)

Fair value of consideration paid	5,122
Fair value of assets acquired and liabilities assumed	
Assets	
Cash and equivalents	265
Trade and other receivables (Note 1)	232
Inventories	1,651
Property, plant and equipment	117
Intangible assets (Note 2)	3,390
Others	239
Liabilities	
Trade and other payables	(404)
Interest-bearing debt	(1,010)
Others	(213)
Fair value of assets acquired and liabilities assumed (Net)	4,269
Goodwill (Note 3)	852

Notes 1. The fair value of acquired trade and other receivables and the contractual amounts receivable are approximately the same. No amounts are expected to be uncollectible.
2. Intangible assets consist of customer-related assets of ¥2,874 million, trademark rights of ¥278 million, and technology-related assets of ¥238 million.
3. Goodwill consists primarily of synergies with existing businesses and excess earning power expected to arise from the acquisition that do not qualify for separate recognition. It is expected to be deductible for tax purposes.
4. Acquisition-related expenses related to this business combination amounted to ¥(515) million, and are all included in "Selling, general and administrative expenses." Of this amount, the acquisition-related expenses recorded in the previous fiscal year amounted to ¥(502) million,

(2) Cash flows from acquisition

(Millions of yen)

Cash and cash equivalents paid for acquisition	(5,122)
Cash and cash equivalents held by the acquired company at the time of acquisition	265
Payments for acquisition of subsidiaries, net	(4,856)

Other Expenses

(1) Business restructuring expenses

The Company is reviewing its production strategy as a response to market changes, declining benefits of overseas production, dispersion of technology and skills, and the risk of not being able to pass them on. As a result of this review, the Company recorded an impairment loss of ¥3,168 million related to facilities that were determined unlikely to be used in the future, as described in "(2) Impairment of non-financial assets" below.

In addition, the Company recorded a loss of ¥1,161 million as business restructuring expenses due to the cost of scrapping equipment and parts related to the impairment loss, extra retirement payments resulting from personnel reductions at overseas manufacturing and sales sites and other factors.

(2) Impairment of non-financial assets

In the consolidated fiscal year ended March 31, 2024, an impairment loss of ¥3,168 million was recognized on piano manufacturing facilities in China and Indonesia in the musical instruments business segment and recorded under "Other expenses."

The breakdown of the impairment loss are as follows.

(Millions of yen)

Segment	Location	Impairment loss	
		Type	Amount
Musical instruments	China	Property, plant and equipment Machinery, equipment and vehicles Others	 (1,638) (505)
		Subtotal	(2,144)
	Indonesia	Property, plant and equipment Machinery, equipment and vehicles Others	 (882) (142)
		Subtotal	(1,024)
	Total		(3,168)

The above impairment losses are included in business restructuring expenses.

1) Method of asset grouping

The Group classifies assets in the smallest cash-generating units that generally generate independent cash inflows. Leased assets, idle assets, and assets scheduled for disposal are grouped by individual asset.

2) Background leading to the recognition of an impairment loss

Yamaha's production strategy to date has been to actively transfer processes to overseas factories. However, as issues such as risks associated with the dispersion of technologies and skills and the risk of not being able to pass them on, the continued depreciation of the yen and rising overseas production costs, as well as geopolitical risks have become apparent, Yamaha has been considering a new production strategy to strengthen its manufacturing resilience. As part of this effort, Yamaha has decided to concentrate its resources in Japan and consolidate operations with regard to the piano frame manufacturing process, which previously took place at two sites in Japan and China, in light of the recent market environment and production conditions. As a result of this decision, an impairment loss was recognized on its manufacturing facilities to be retired.

In addition, amid a review of Yamaha's production strategy, an impairment loss was recognized on the portion of its piano production facilities at its Indonesian site that is not expected to be effectively utilized in the future, based on the most recent market environment and production conditions.

3) Calculation method of recoverable amount

The recoverable amount is measured based on value in use. The recoverable amount of fixed assets that are no longer expected to be used in the future is zero because no future cash flows are expected.

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.

In addition, 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.

FY2023.3 (April 1, 2022－March 31, 2023)

(Millions of yen)

	Reportable segment			Others	Total	Adjustments	Consolidated
	Musical instruments	Audio equipment	Total				
Revenue							
Revenue from external customers	302,653	107,641	410,294	41,115	451,410	—	451,410
Intersegment revenue	—	—	—	293	293	(293)	—
Total	302,653	107,641	410,294	41,409	451,703	(293)	451,410
Core operating profit (Segment profit)	36,200	3,466	39,667	6,200	45,867	—	45,867
Other income							2,006
Other expenses							(1,389)
Operating profit							46,484
Finance income							4,509
Finance expenses							(441)
Profit before income taxes							50,552

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

FY2024.3 (April 1, 2023－March 31, 2024)

(Millions of yen)

	Reportable segment			Others	Total	Adjustments	Consolidated
	Musical instruments	Audio equipment	Total				
Revenue							
Revenue from external customers	305,195	121,108	426,304	36,562	462,866	—	462,866
Intersegment revenue	—	—	—	242	242	(242)	—
Total	305,195	121,108	426,304	36,804	463,108	(242)	462,866
Core operating profit (Segment profit)	25,317	6,409	31,727	1,926	33,653	—	33,653
Other income							1,470
Other expenses							(6,124)
Operating profit							28,999
Finance income							9,192
Finance expenses							(561)
Profit before income taxes							37,629

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

Earnings Per Share

Basic earnings per share and basis for calculations are as follows.

	FY2023.3 (April 1, 2022－March 31, 2023)	FY2024.3 (April 1, 2023－March 31, 2024)
Profit for the period attributable to owners of parent (million yen)	38,183	29,642
Weighted-average number of common shares (thousand shares)	171,502	168,728
Basic earnings per share (yen)	222.64	175.68

Notes: Diluted earnings per share is not stated because there are no latent shares with the dilution effect.

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 Yamaha's 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 sequential events to note.