

# Analyst and Investor Briefing on Second Quarter of FY2020.3

(Fiscal year ending March 31, 2020)



November 5, 2019

Yamaha Corporation

# FY2020.3 1H Highlights

## Overview

Figures in parentheses are year-on-year comparisons

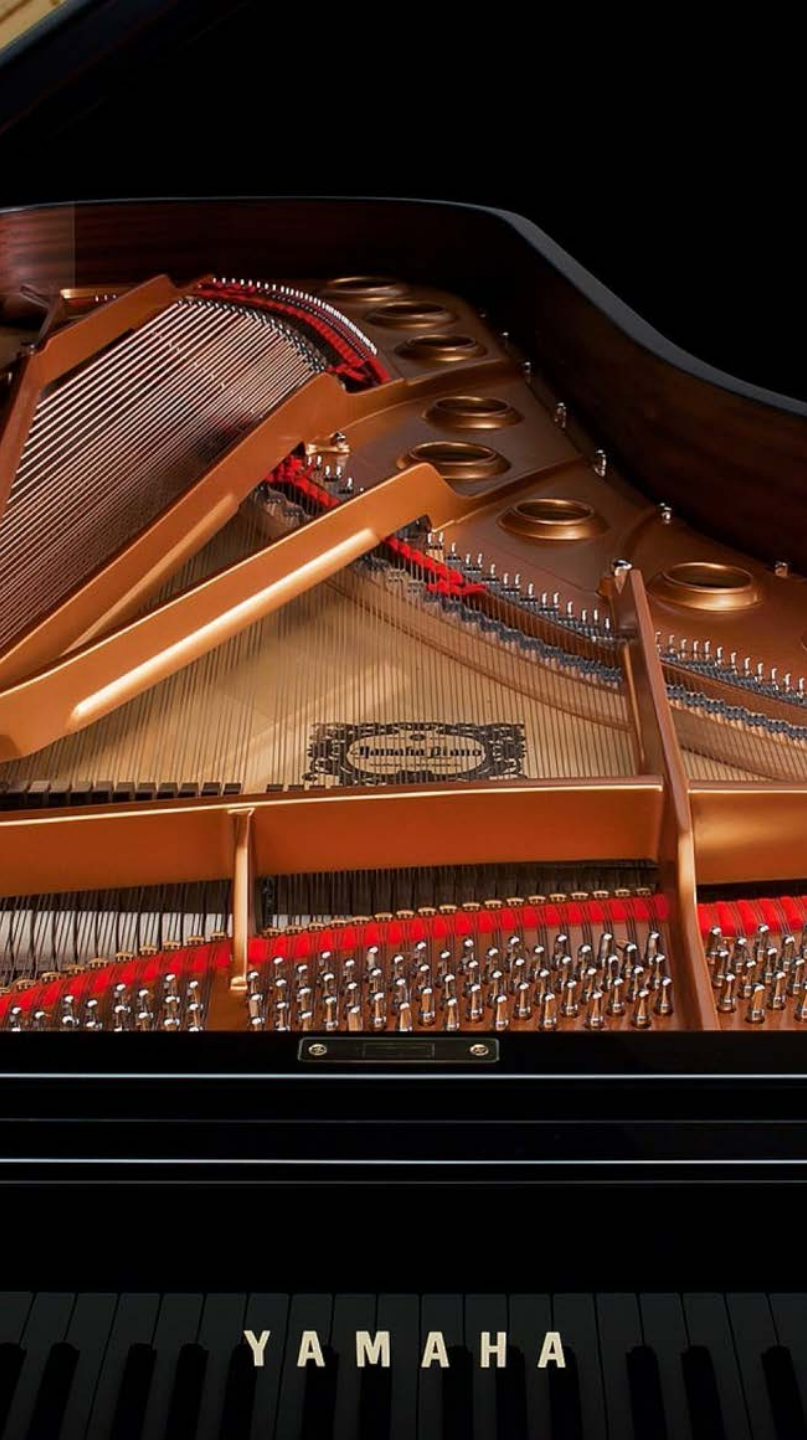
### FY2020.3 1H Achievements

- 2Q (three months) revenue and profit rose year-on-year due to strong results in the musical instruments business
- The first half (six months) revenue and profit declined from the same period of the previous year. The main factors behind this fall were the impact of exchange rates and deteriorating market conditions in the Industrial Machinery and Components (IMC) business.
- The first half revenue amounted to ¥208.5 billion (down 2.2%), core operating profit totalled ¥26.1 billion (down 2.1%), and the core operating profit ratio was unchanged at 12.5%

## Outlook

### FY2020.3 Full Year Outlook

- Although full year projections have been revised downward due to the impact of exchange rates and deteriorating market conditions in the IMC business, revenue and profit are still projected to exceed the previous year
- The new full year projections are: revenue ¥435.0 billion (up 0.1%), core operating profit ¥53.0 billion (up 0.5%), and core operating profit ratio 12.2% (up 0.1 percentage point)



# 1. Performance Summary

Y A M A H A

# FY2020.3 1H (Six Months) Summary

(billions of yen)

	FY2019.3 1H	FY2020.3 1H	Change	
<b>Revenue</b>	213.3	<b>208.5</b>	-4.8	-2.2% <sup>*2</sup>
<b>Core Operating Profit</b> (Core Operating Profit Ratio)	26.7 (12.5%)	<b>26.1</b> (12.5%)	-0.6	-2.1%
<b>Net Profit</b> <sup>*1</sup>	21.2	<b>21.1</b>	-0.1	-0.3%

## Exchange Rate (yen)

<b>Revenue</b> (Average rate during the period)	<b>US \$</b>	110	<b>109</b>
	<b>EUR</b>	130	<b>121</b>
<b>Profit</b> (Settlement rate)	<b>US \$</b>	110	<b>109</b>
	<b>EUR</b>	132	<b>124</b>

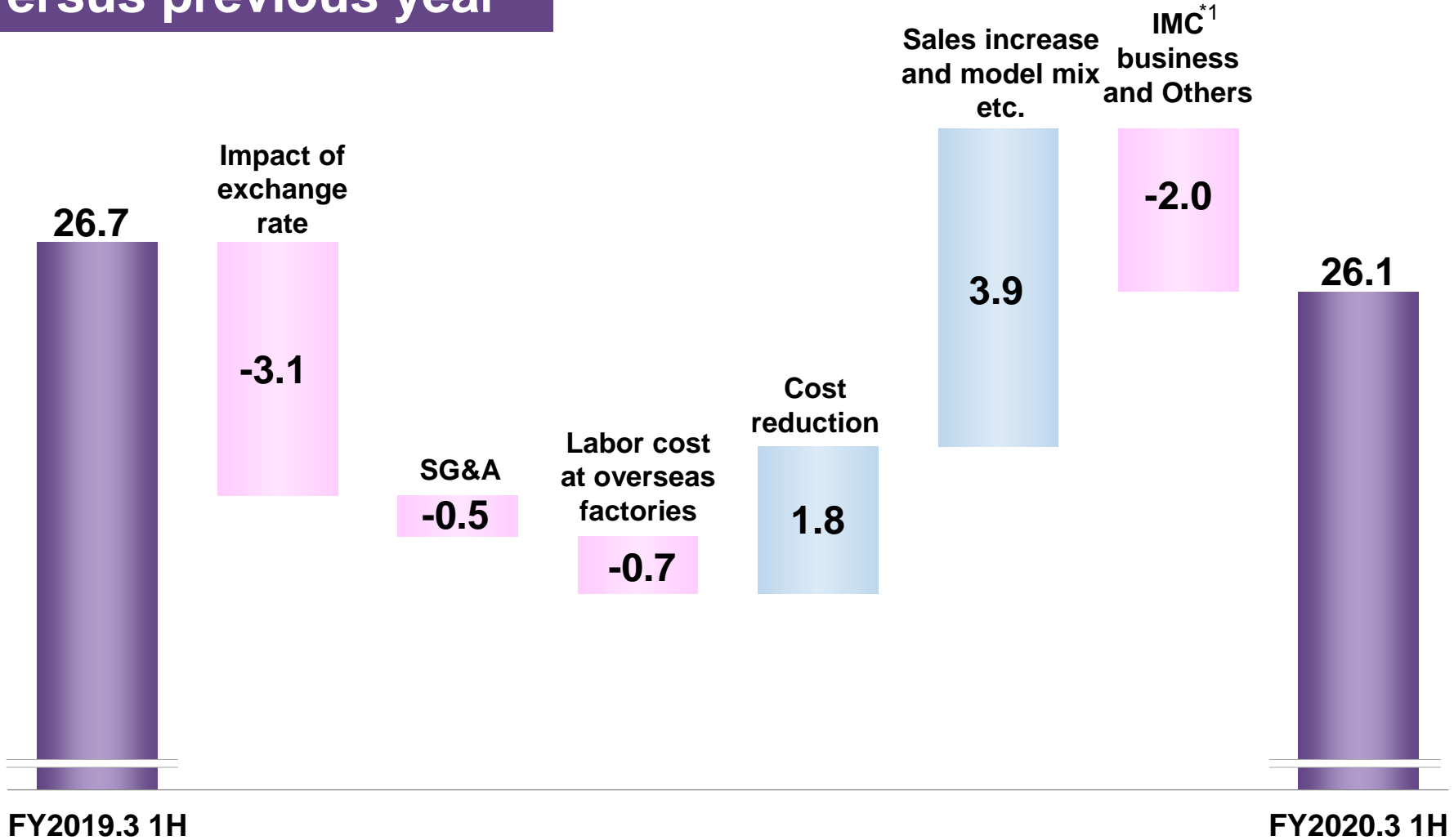
<sup>\*2</sup> +0.9%  
(Excluding the impact of exchange rate)

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

# Core Operating Profit Analysis

Versus previous year

(billions of yen)



\*1 Industrial Machinery and Components



# Performance by Business Segment

(billions of yen)

		FY2019.3 1H	FY2020.3 1H	Change	Exchange rate impact
<b>Musical Instruments</b>	<b>Revenue</b>	<b>137.8</b>	<b>138.7</b>	<b>+0.8</b>	<b>-4.8</b>
	<b>Core Operating Profit</b>	<b>20.4</b>	<b>22.3</b>	<b>+1.9</b>	<b>-2.3</b>
	Core Operating Profit Ratio	14.8%	16.1%	+1.3P	
<b>Audio Equipment</b>	<b>Revenue</b>	<b>56.3</b>	<b>54.5</b>	<b>-1.8</b>	<b>-1.9</b>
	<b>Core Operating Profit</b>	<b>4.1</b>	<b>3.7</b>	<b>-0.4</b>	<b>-0.8</b>
	Core Operating Profit Ratio	7.3%	6.7%	-0.6P	
<b>IMC<sup>*1</sup> Business and Others</b>	<b>Revenue</b>	<b>19.1</b>	<b>15.3</b>	<b>-3.8</b>	<b>0</b>
	<b>Core Operating Profit</b>	<b>2.2</b>	<b>0.2</b>	<b>-2.0</b>	<b>0</b>
	Core Operating Profit Ratio	11.3%	1.2%	-10.1P	

\*1 Industrial Machinery and Components

# FY2020.3 Outlook

(billions of yen)

	FY2019.3 Full year	FY2020.3 Full year (projections)	Change	
<b>Revenue</b>	434.4	<b>435.0</b>	+0.6	+0.1% <sup>*2</sup>
<b>Core Operating Profit</b> (Core Operating Profit Ratio)	52.7 (12.1%)	<b>53.0</b> (12.2%)	+0.3	+0.5%
<b>Net Profit</b> <sup>*1</sup>	40.3	<b>41.5</b>	+1.2	+2.9%

## Exchange Rate (yen)

<b>Revenue</b> (Average rate during the period)	<b>US \$</b>	111	<b>109</b>
	<b>EUR</b>	128	<b>121</b>
<b>Profit</b> (Settlement rate)	<b>US \$</b>	111	<b>110</b>
	<b>EUR</b>	131	<b>122</b>

<sup>\*2</sup> **+3.2%**  
(Excluding the impact of exchange rate)

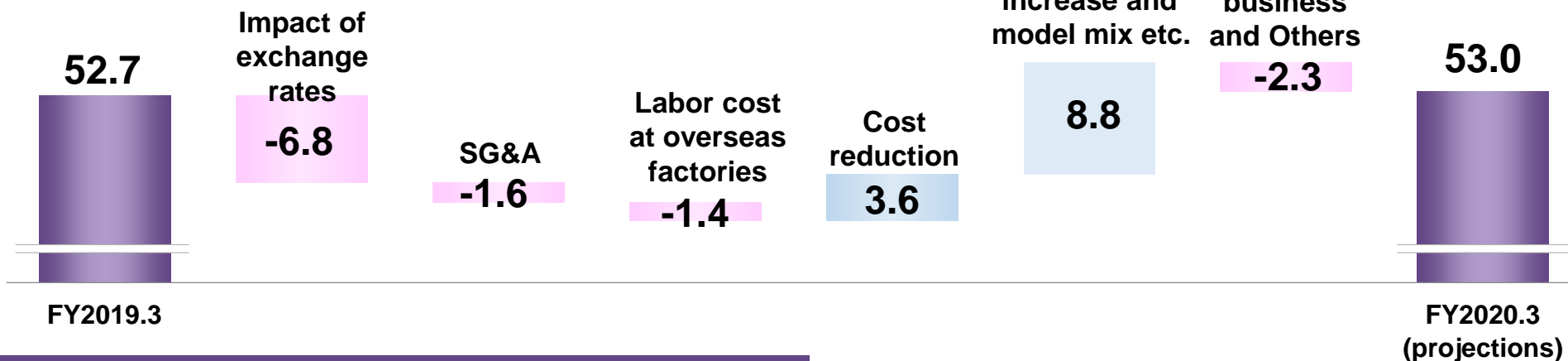
2H exchange rates  
US\$=110JPY (previous assumption 110JPY)  
EUR=120JPY (previous assumption 125JPY)

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

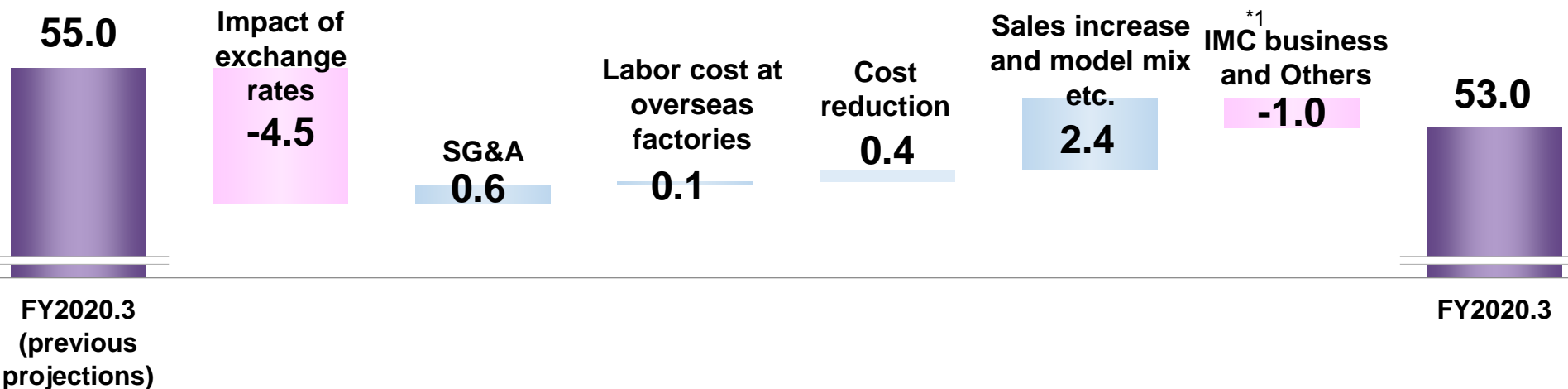
# Core Operating Profit Analysis

(billions of yen)

## Versus previous year



## Versus previous projections



\*1 Industrial Machinery and Components

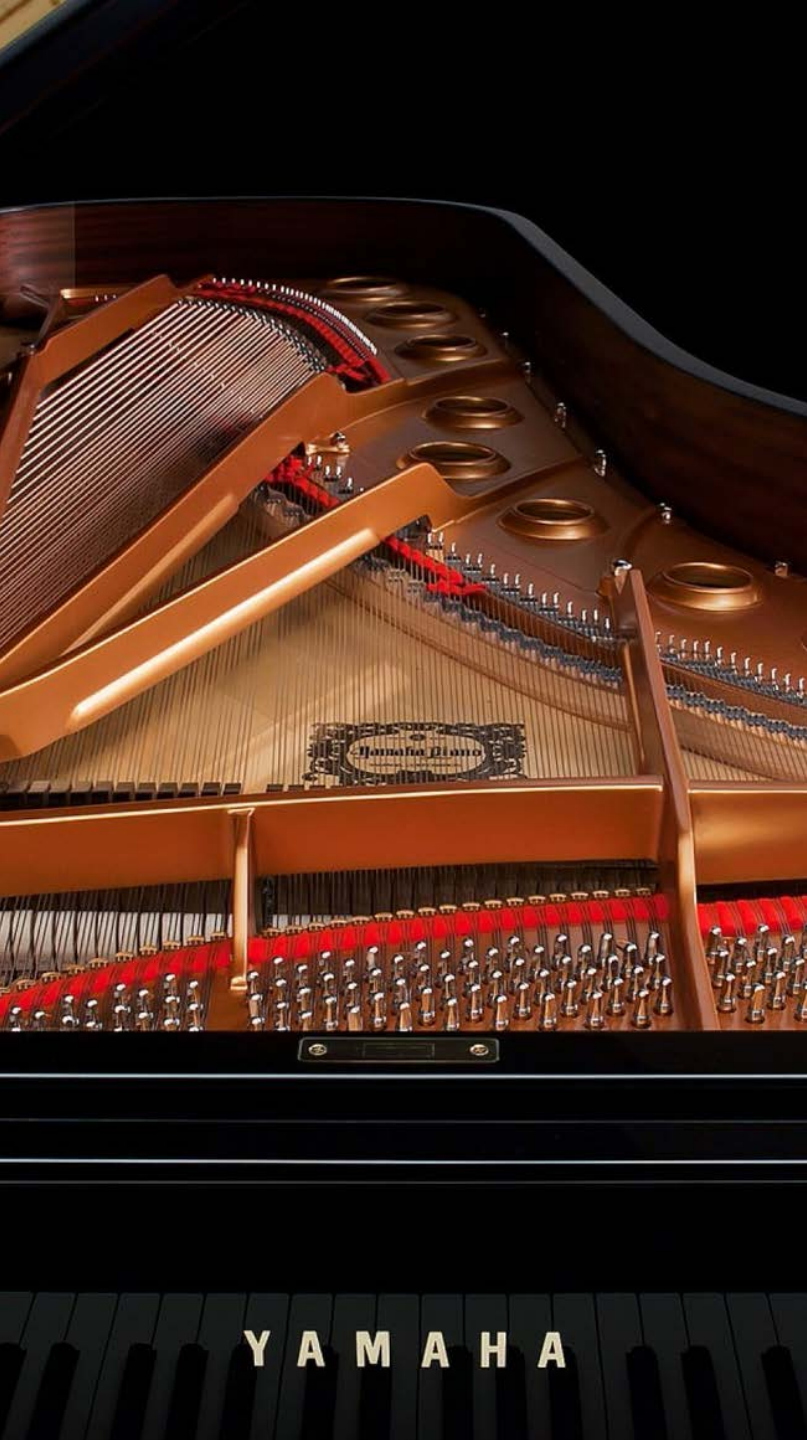


# Outlook by Business Segment

(billions of yen)

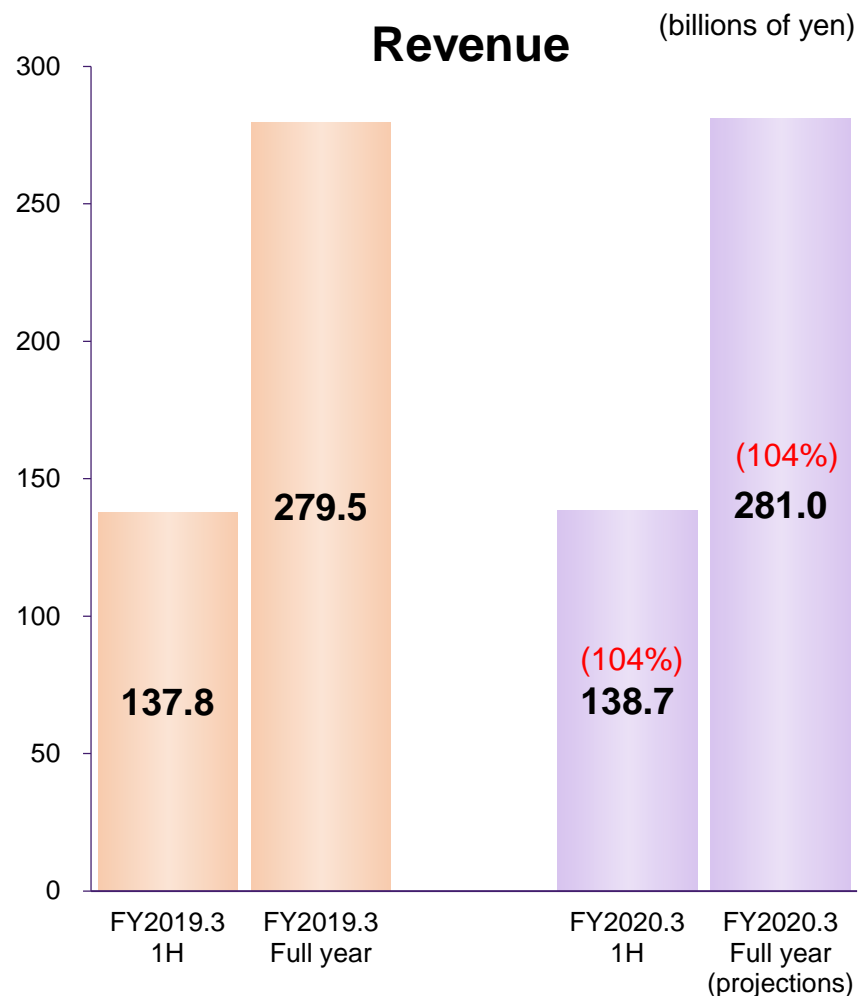
		FY2019.3 Full Year	FY2020.3 Full year (projections)	Change	Exchange rate impact
<b>Musical Instruments</b>	<b>Revenue</b>	<b>279.5</b>	<b>281.0</b>	<b>+1.5</b>	<b>-9.2</b>
	<b>Core Operating Profit</b>	<b>40.8</b>	<b>43.0</b>	<b>+2.2</b>	<b>-4.9</b>
	Core Operating Profit Ratio	14.6%	15.3%	+0.7P	
<b>Audio Equipment</b>	<b>Revenue</b>	<b>120.1</b>	<b>121.0</b>	<b>+0.9</b>	<b>-3.9</b>
	<b>Core Operating Profit</b>	<b>9.6</b>	<b>10.0</b>	<b>+0.4</b>	<b>-1.9</b>
	Core Operating Profit Ratio	8.0%	8.3%	+0.3P	
<b>IMC<sup>*1</sup> Business and Others</b>	<b>Revenue</b>	<b>34.8</b>	<b>33.0</b>	<b>-1.8</b>	<b>-0.1</b>
	<b>Core Operating Profit</b>	<b>2.3</b>	<b>0</b>	<b>-2.3</b>	<b>0</b>
	Core Operating Profit Ratio	6.7%	0.0%	-6.7P	

\*1 Industrial Machinery and Components



## 2. Segment Overview & Updates

# Segment Revenue and Core Operating Profit

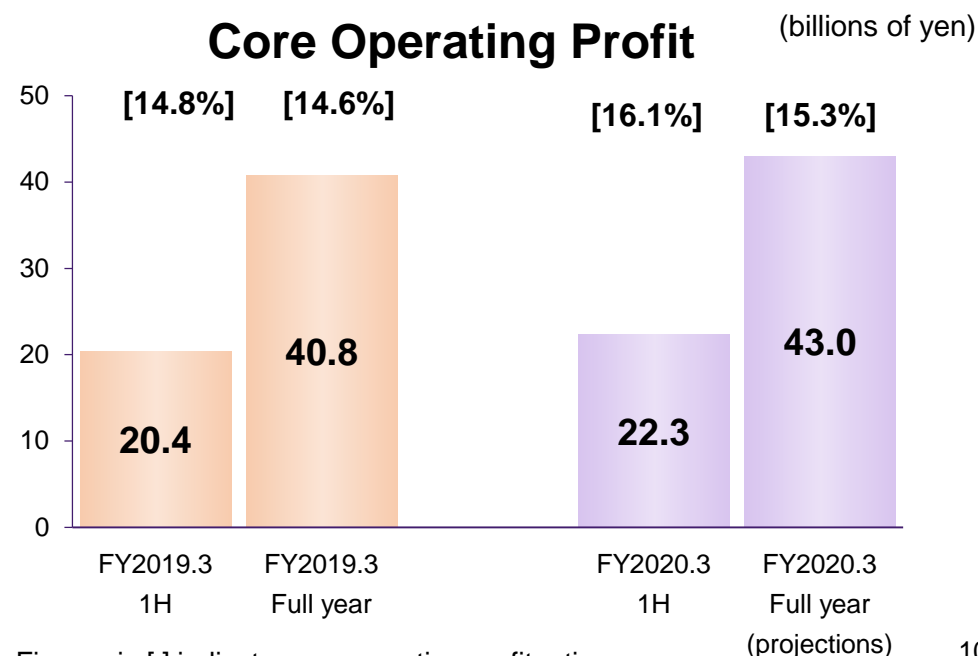


## 1H Overview: Strong sales exceeded previous year's figures in all product categories except wind instruments

- Piano sales were robust, supported by double-digit growth in China. Sales of digital musical instruments were also brisk, led by year-on-year increase in all regions. Wind instruments struggled in Japan, but guitar sales increased year on year in all regions, achieving double-digit growth as a whole.
- North American sales were generally strong, especially for digital musical instruments and guitars. Sales continued to rebound in Europe, and in China strong sales in all product categories drove double-digit growth. Emerging markets remained robust, but sales in Japan were down year-on-year.

## 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 in China, brisk sales are expected in North America and emerging markets, and recovery is projected for Europe

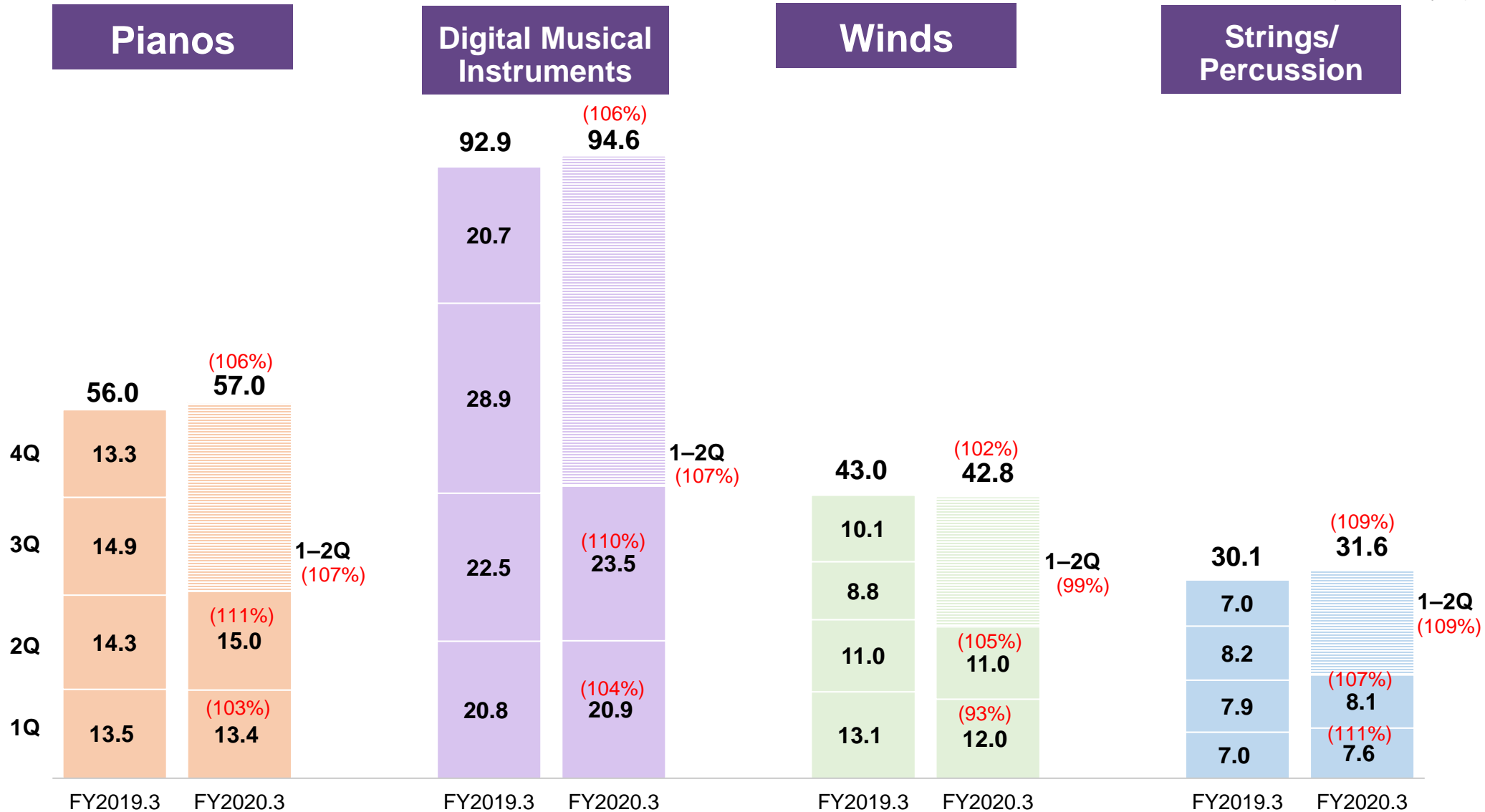


Red figures show actual YoY changes discounting impact of exchange rates

Figures in [ ] indicate core operating profit ratio

# Revenue by Major Product Category

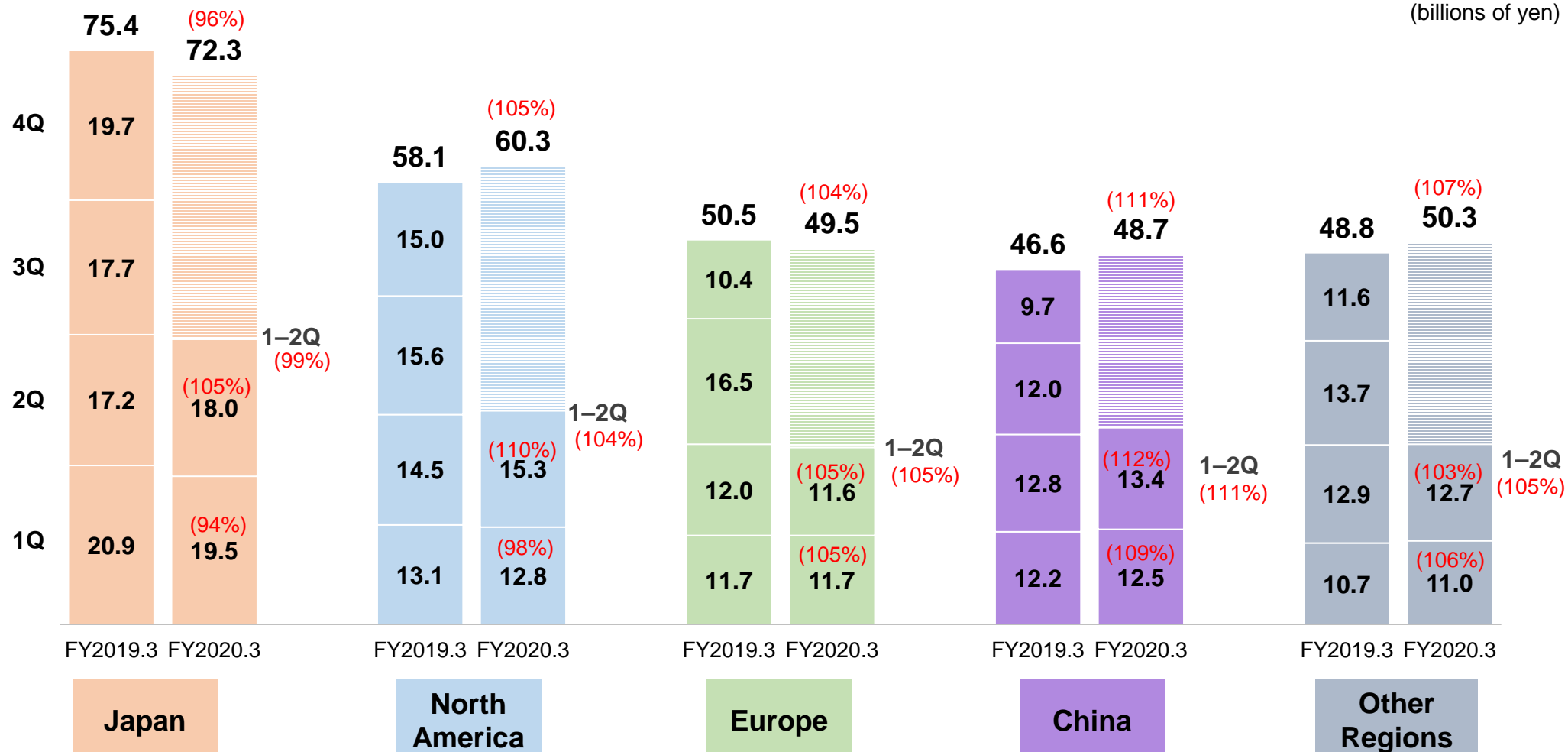
(billions of yen)



Red figures show actual YoY changes discounting impact of exchange rates

# Revenue by Region

(billions of yen)



\* Software products and music schools included

Red figures show actual YoY changes discounting impact of exchange rates



# Achieve Growth in Emerging Markets -India

## Strategic products aimed for the next growth market

### Exclusive model for Indian market



### Portable keyboard *PSR-1500*

This strategic Indian product aimed for the Indian market was launched for the first time at a new factory in India.





# Develop Products with Distinctive Individuality

## Distinctive product line-up fusing a wide range of technologies

Acoustic guitar  
*FG/FS Red Label Folk Guitar*



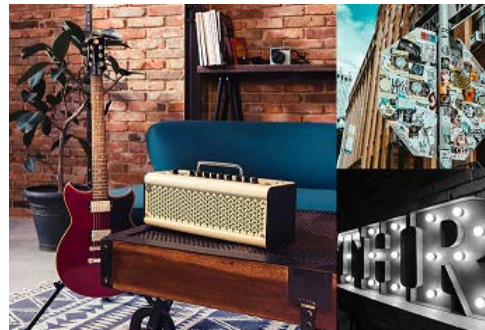
Guitar amplifier  
*THR-II*



Casual wind instrument  
*Alto Venova*



The new Yamaha "Atmosfeel" three-way pickup system provides a remarkably natural plugged-in sound.



Yamaha refreshed its highly-praised guitar amps *THR* series after eight years



Yamaha introduced *Alto Venova*, the newest addition to the popular *Venova* series.

# Develop Products with Distinctive Individuality

## Worldwide acclaim for Yamaha Design supports Yamaha growth and the brand enhancement

Good Design Award\* 2019 winning products



### Acoustic guitar *STORIA*

*STORIA* fits into various lifestyles with modern aesthetics delivering rich tones and excellent playability.

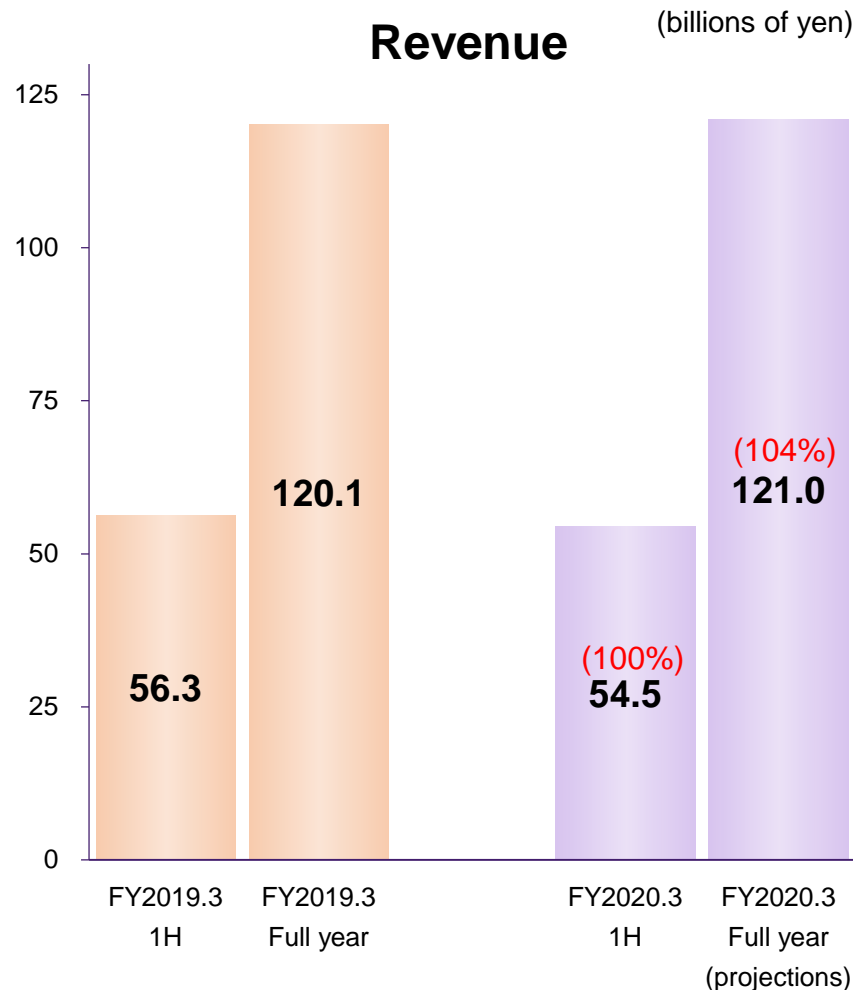
\* Operated by Japan Institute of Design Promotion



### Stage piano *CP88/73*

The CP73 and CP88 stage pianos boast authentic acoustic and electric piano sound, realistic piano touch and an intuitive one-to-one user interface.

# Segment Revenue and Core Operating Profit



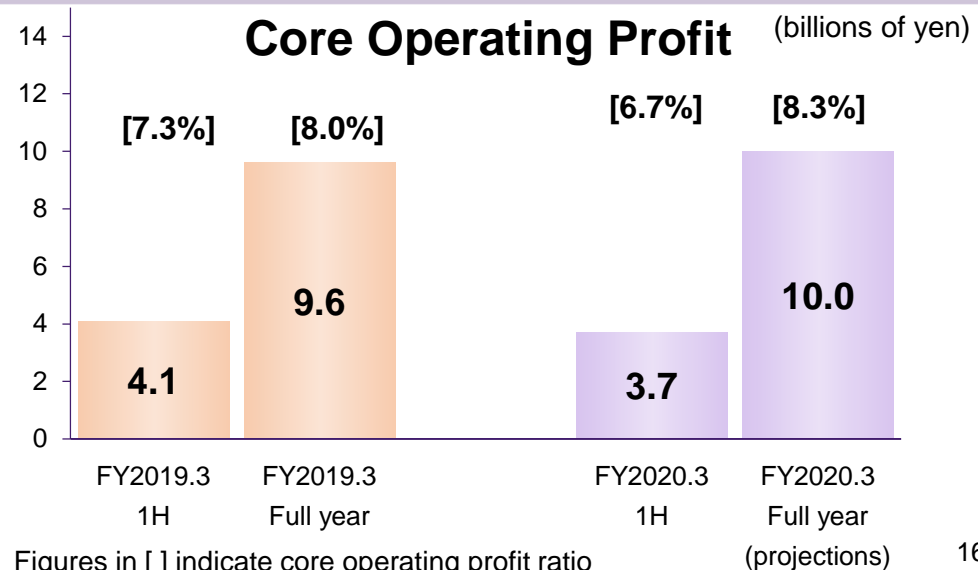
**1H Overview: Although AV product sales fluctuated in some regions, sales of PA equipment were robust overall**

- Sales in the AV product category were down year-on-year due to changes in demand for receivers and falling demand in emerging markets
- In the PA equipment, robust sales exceeded the previous year's results in all regions, driven by factors including the launch of new products, strength in music production, and strength in the CA equipment market in Japan.
- Sales for the ICT devices declined year-on-year due to mistiming of network equipment product launches and lower OEM product sales in China in the unified communications (UC)\* products.

**Full year projection: Expansion projected due to growth in the PA equipment and rebounding sales of AV products**

- AV product sales are expected to rally, driven by growth in sound bar and MusicCast sales
- In the PA equipment category, continuing strength in new products and music production is expected to drive brisk sales
- In the ICT devices category, sales of network equipment are expected to rebound, but weaker OEM business in China are projected for the UC products

\*UC products: conference systems



Red figures show actual YoY changes discounting impact of exchange rates

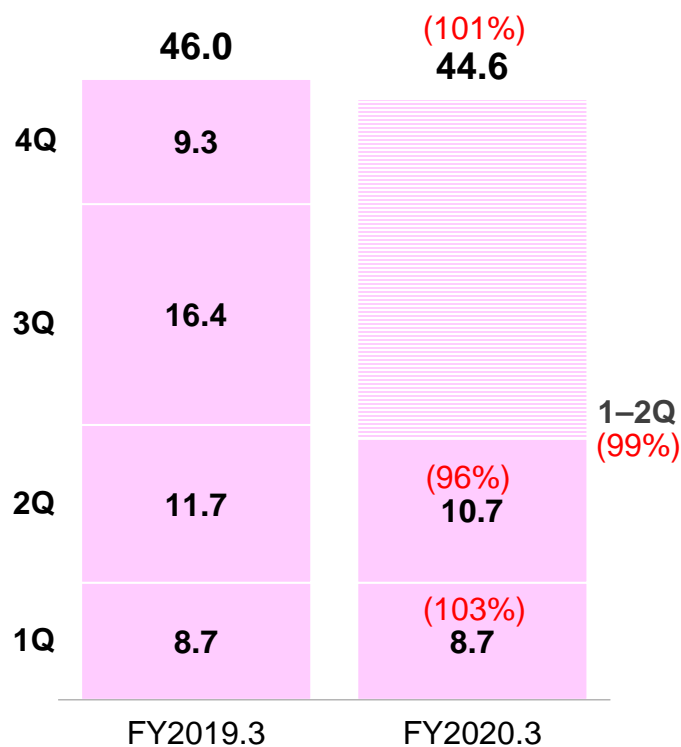
Figures in [ ] indicate core operating profit ratio

(projections)

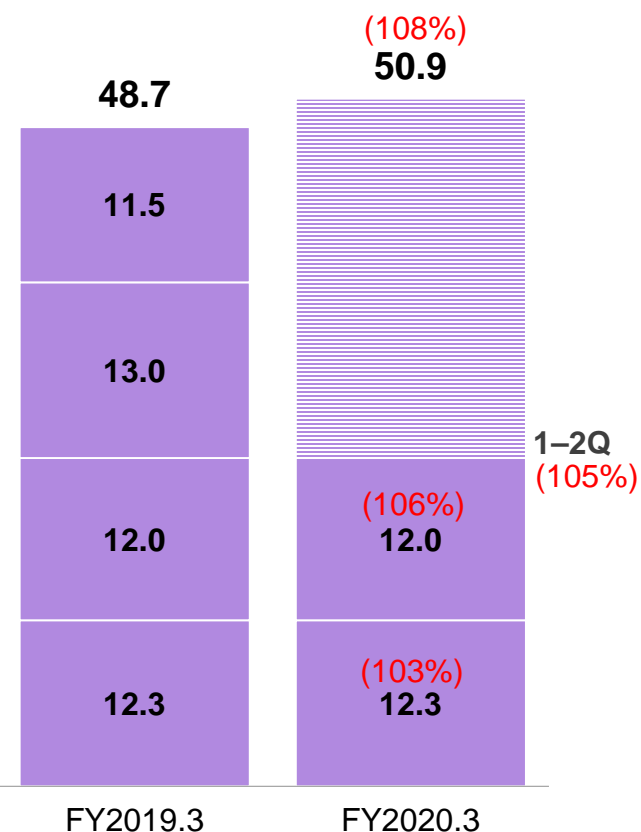
# Revenue by Major Product Category

(billions of yen)

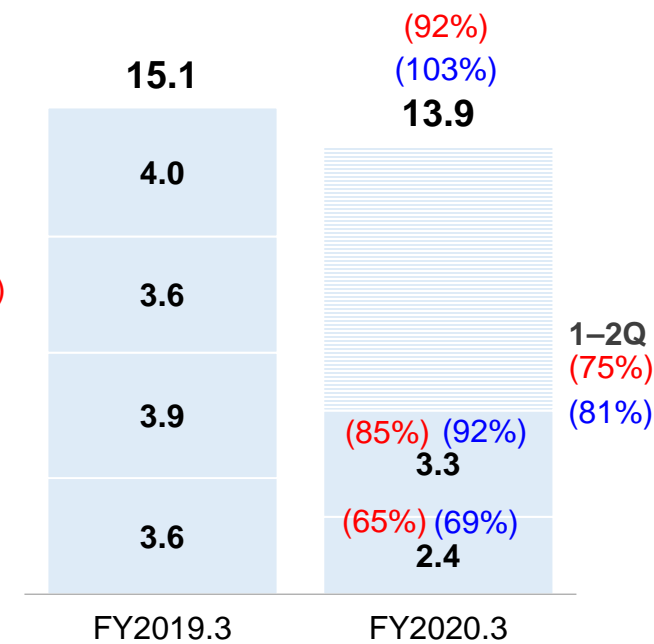
## AV Products



## PA Equipment



## ICT Devices

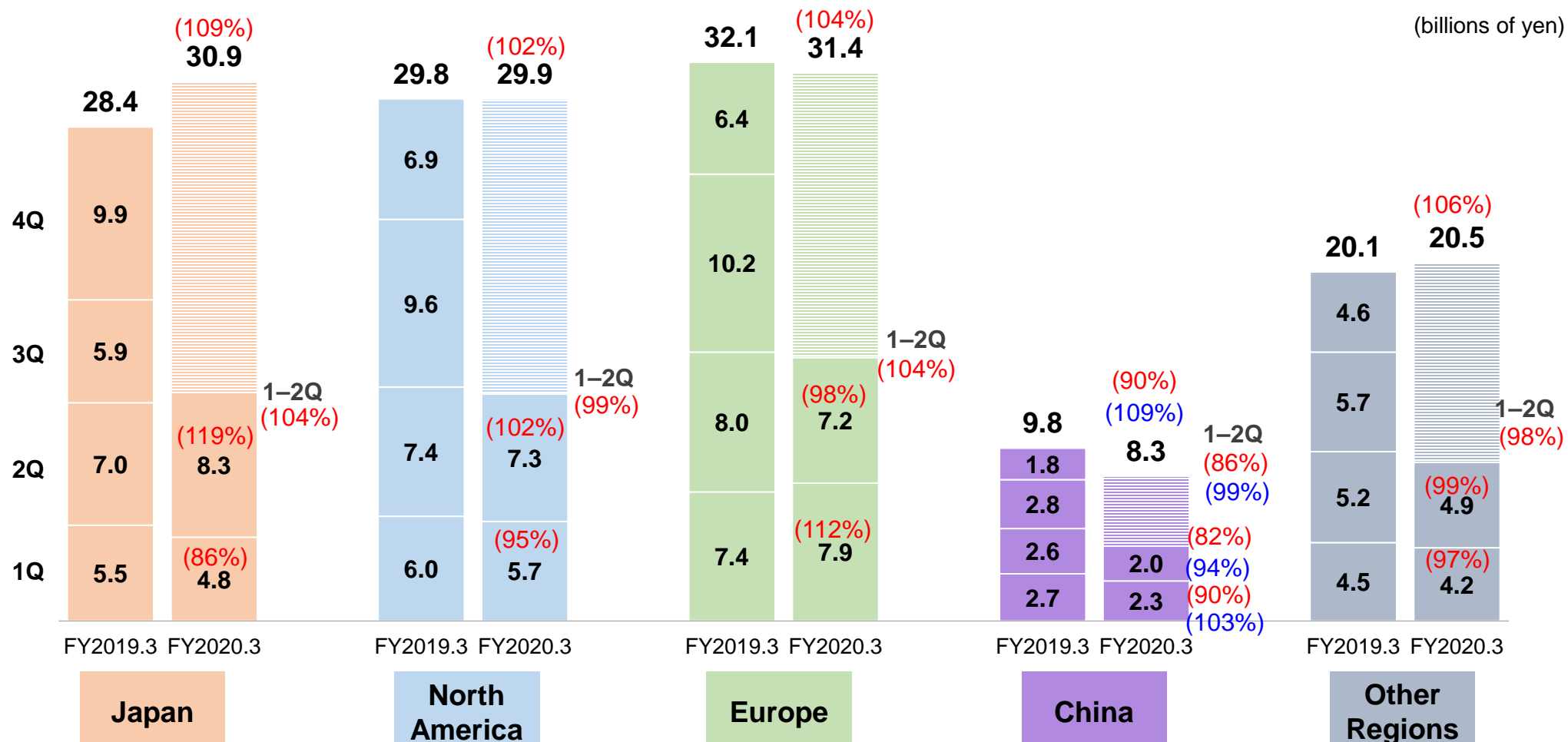


\*Includes only sales of products for PA Equipment (excluding engineering and installation services)

Red figures show actual YoY changes discounting impact of exchange rates

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

# Revenue by Region



Red figures show actual YoY changes discounting impact of exchange rates

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



# Develop Products with Distinctive Individuality

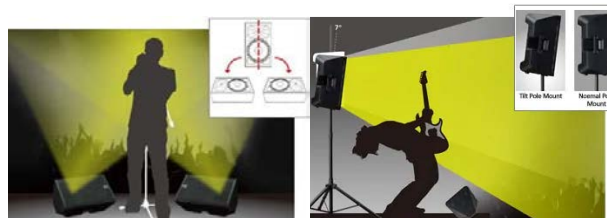
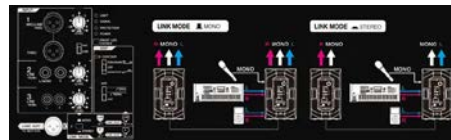
**Strong product lineups to meet diverse needs in the audio equipment field**

## Portable PA system *STAGEPAS 1K*



The all-in-one portable PA system *STAGEPAS 1K* delivers professional level audio performance with a simple setup and operability.

## Powered loudspeaker *DXR mkII series*



The *DXR mkII series* are the newly upgraded models of the *DXR series* that add even more SPL and power with less weight.

## Ceiling speakers *VXC2FB and VXC2FW*



The shallowest model of the ceiling speakers in the *VXC series*

## Ceiling subwoofers *VXC8SB and VXC8SW*



The first model of Yamaha ceiling subwoofer

The ceiling speakers *VXC series* are the low-profile ceiling speakers designed for superior music reproduction and can easily adapt to the strictest installation limitations.



# Develop Products with Distinctive Individuality

## Immersive 3D surround sound from a single bar with easy installation and operation

Sound bar  
YAS-109



Sound bar  
YAS-209



## Offer various meeting solutions for open workspaces and conference rooms to deliver intuitive meeting experience under flexible working style



Portable USB & Bluetooth  
conference phone  
YVC-330



YVC-330 features Yamaha's new *SoundCap* technology that eliminates the background noise in open working environments.



Speech privacy system  
VSP-2



VSP-2 enables more flexible installation with enhanced information masking technology to shield conversations.

# Develop Products with Distinctive Individuality

## Yamaha awarded 1<sup>st</sup> place in the network device category of the Customer Satisfaction Survey 2019-2020 of Nikkei Computer Magazine for the four consecutive year

Following on the 1<sup>st</sup> place award in the network device of the Partner Satisfaction Survey 2019 published in the February 21, 2019 issue of Nikkei Computer magazine, Yamaha again placed 1<sup>st</sup> in the network device category of the Customer Satisfaction Survey 2019-2020 published in the August 22, 2019 issue of Nikkei Computer magazine.



**Customer Satisfaction Survey 2019-2020**  
Yamaha's corporate clients rated the company highly reliable, operability, and cost.



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

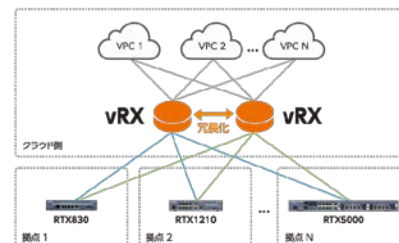
### Giga access VPN router **RTX830**



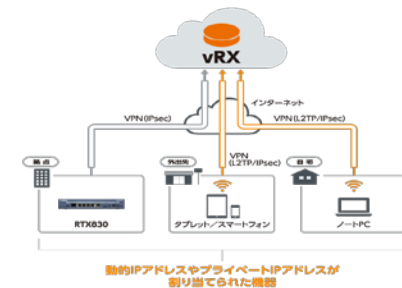
Standard corporate router

### Virtual router **vRX**

vRX is a software router equipped with high performance and specifications of Yamaha standard hardware routers.

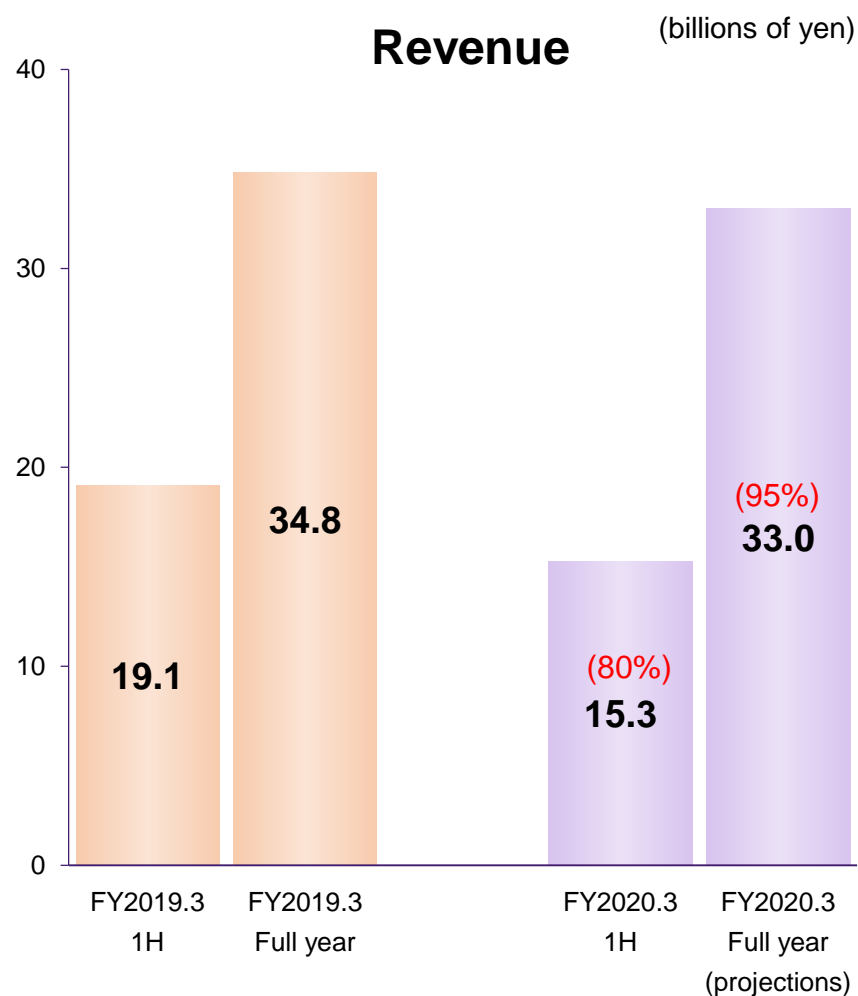


Enables the users to easily design and build complex networks



VPN-direct connection with smartphones and tablets

# Segment Revenue and Core Operating Profit

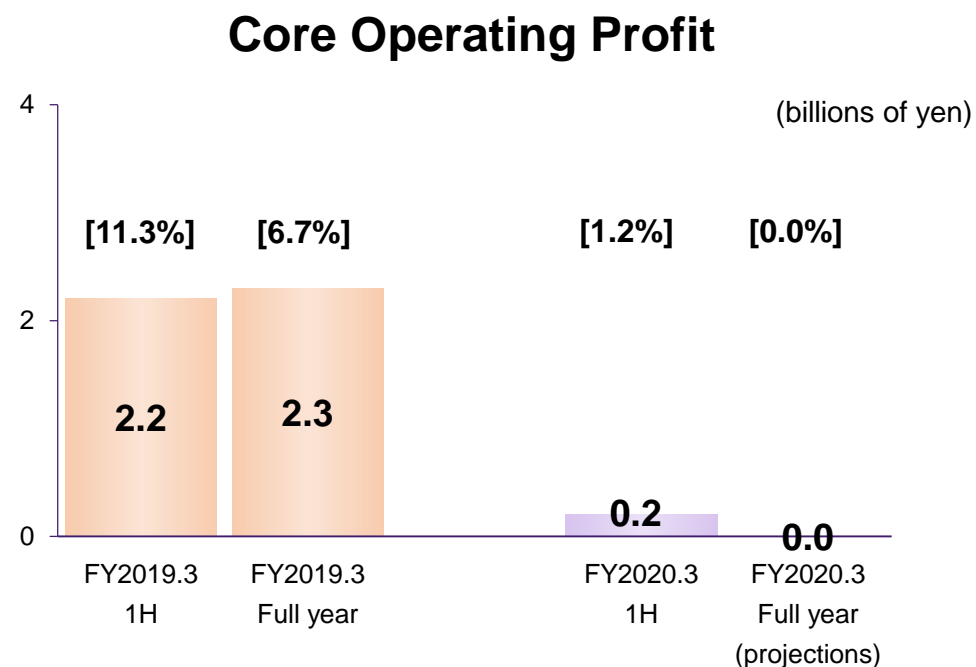


### 1H Overview:

- As projected, market conditions continued to deteriorate for factory automation equipment and remained at a lower level than the previous year, when there were special orders

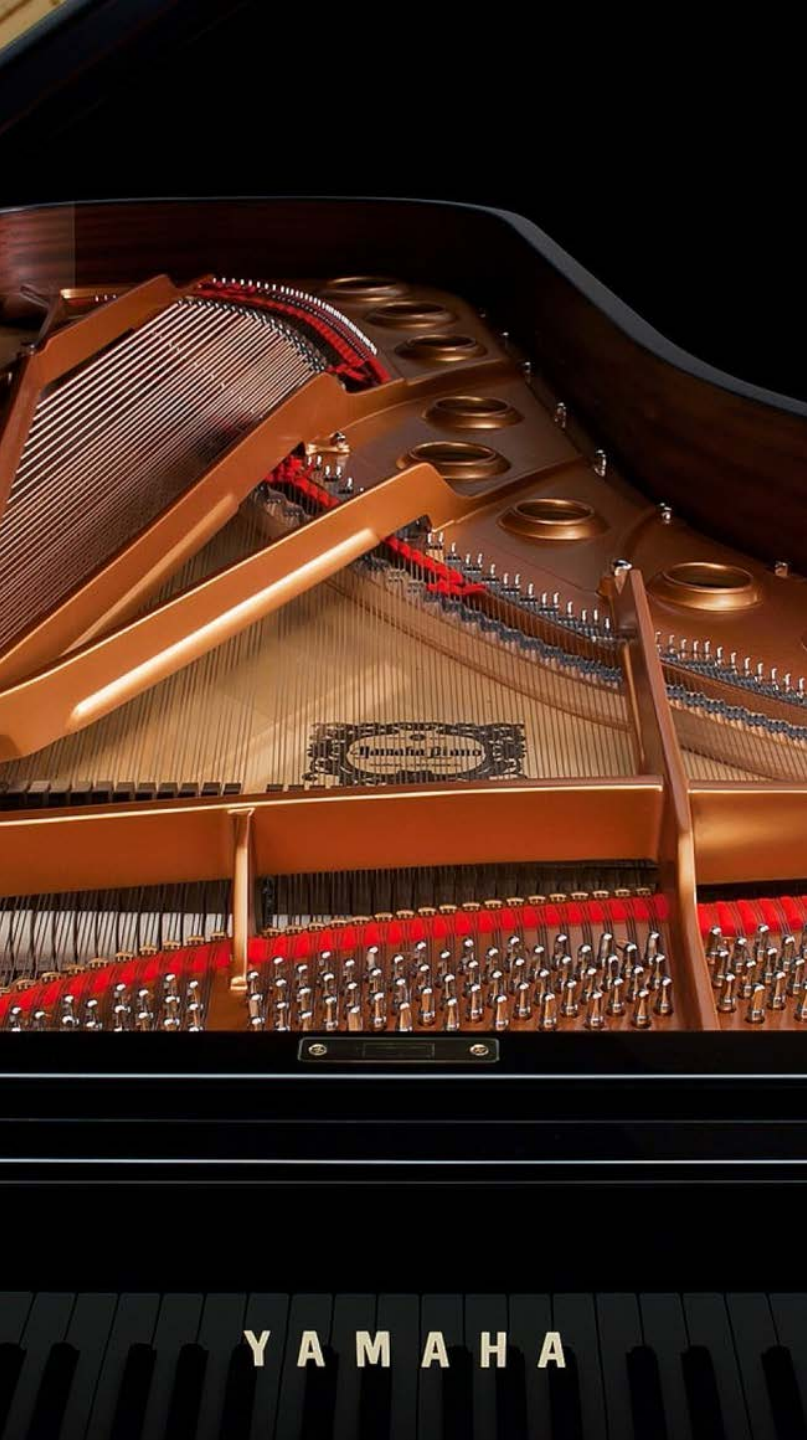
### Full year projection:

- Sales in the electronic device category are expected to increase year-on-year, due to a rebound in amusement equipment sales
- Market conditions will deteriorate further for factory automation equipment, and the full year projection for this category has been revised downward



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

(billions of yen)

	As of Mar. 31, 2019	As of Sept. 30, 2019	Change	As of March 31, 2020 (projections)
Cash and cash equivalents	95.8	103.7	+7.9	112.1
Trade and other receivables	65.3	66.4	+1.1	65.2
Other financial assets	10.5	8.3	-2.2	8.3
Inventories	101.0	106.1	+5.1	99.0
Other current assets	10.1	7.2	-2.9	7.3
Non-current assets	233.1	225.9	-7.2	240.1
<b>Total assets</b>	<b>515.9</b>	<b>517.6</b>	<b>+1.6</b>	<b>532.0</b>
Current liabilities	100.4	110.4	+10.0	100.6
Non-current liabilities	56.5	52.3	-4.2	52.3
Total equity	359.0	354.9	-4.1	379.1
<b>Total liabilities and equity</b>	<b>515.9</b>	<b>517.6</b>	<b>+1.6</b>	<b>532.0</b>

\* The Company made a decision related to the acquisition of treasury shares at the meeting of the Board of Directors held on November 1, 2019. The effect of this decision on acquisition of treasury shares has not been taken into the projections for FY2020.3.

# Acquisition of Treasury Shares

**Reasons for the acquisition** To enhance shareholder returns and capital efficiency

**Acquisition period** November 5, 2019 to March 31, 2020

**Number of shares to be acquired** 4 million shares (maximum) representing 2.2% of outstanding shares, excluding treasury shares

**Amount of acquisition** ¥15 billion (maximum)

**Acquisition method** Purchase on the Tokyo Stock Exchange market

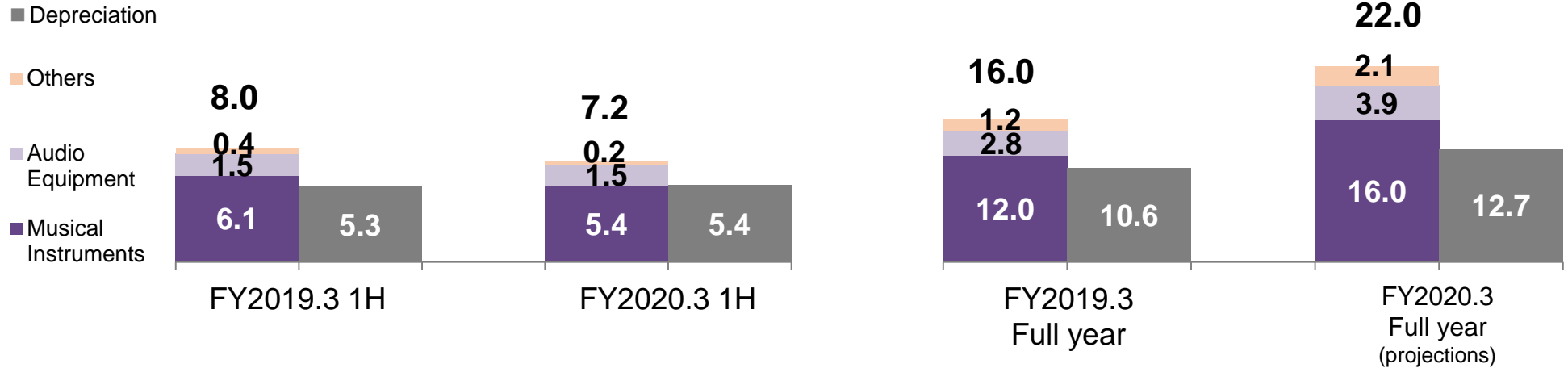
\* Total number of outstanding shares (excluding treasury shares) as of September 30, 2019: 178,356,118 shares



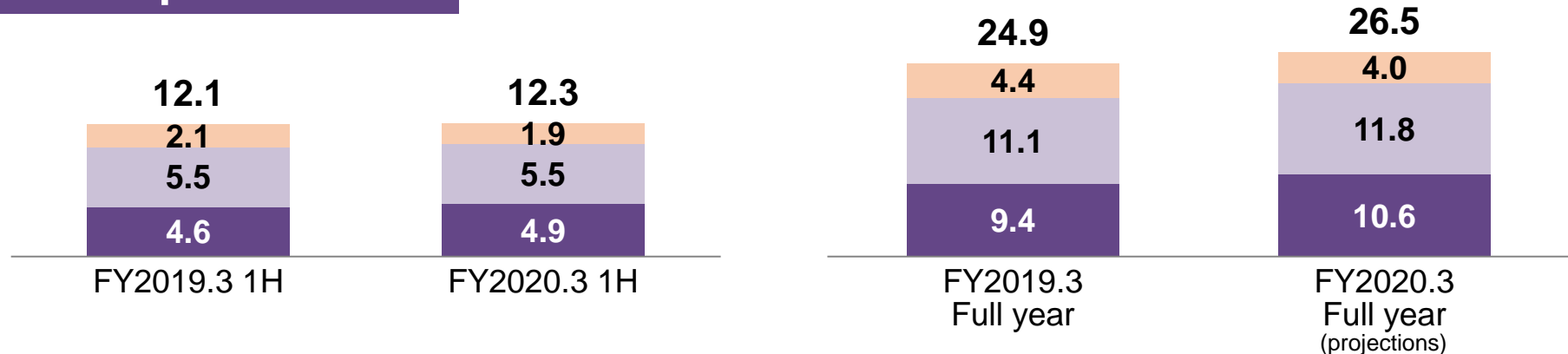
# Capital Expenditure/Depreciation, R&D Expense

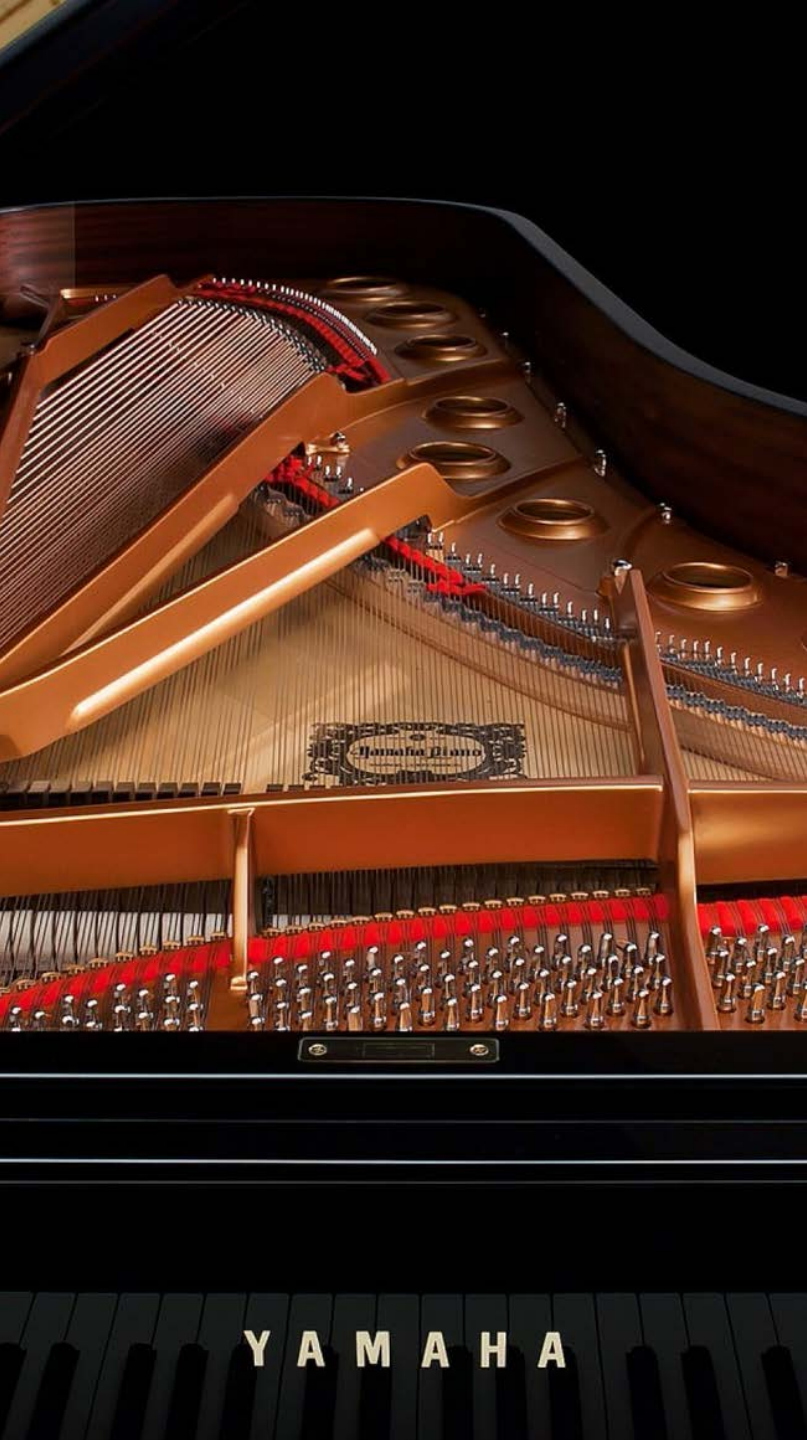
## Capital Expenditure/Depreciation

(billions of yen)



## R&D Expenses





Y A M A H A

## 4. ESG

# Environment

## Yamaha approved by SBT Initiative for greenhouse gas emissions reduction target and expressed support for TCFD recommendations (June 2019)



Yamaha announced that its reduction of greenhouse gas emissions target has been verified and approved by the Science Based Targets (SBT) Initiative, an international environmental organization and has also expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

### **Yamaha Group's Reduction of Greenhouse Gas Emissions Target**

(compared to FY2017)

Scope 1+2 <sup>\*1</sup> : 32% reduction by FY2030 (83% reduction by FY2050)

Scope 3 <sup>\*2</sup> : 30% reduction by FY2030

\*1 Scope 1: Direct emissions from owned or controlled sources

Scope 2: Indirect emissions from the generation of purchased energy, such as electric, steam, etc.

\*2 Scope 3: All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions (e.g. raw materials, parts procurement, transportation, product usage, etc.)

# Social

## Creation of a society free from language and hearing barriers

### SoundUD\* Consortium acclaimed for a wide range of initiatives



Started installation of multilingual environments utilizing SoundUD at a total of 12 facilities owned by the Tokyo Metropolitan Government (TMG), including Ajinomoto Stadium, Ariake Gymnastics Centre, and Tokyo International Forum (August 2019)

- Awarded contract by TMG to install multilingual broadcasting equipment at TMG facilities

Providing multilingual services utilizing SoundUD in cooperation with 15 companies in the Tokyo area, including railway, bus, and airline operators

- Progressively launching multilingual announcements and provision of information via the “Omotenashi Guide” app
- Rolling out to 385 locations (stations, buses, airports) in the Tokyo area by July 2020

Provided multilingual simultaneous interpretation in 13 languages via “Omotenashi Guide” for all 160 sessions of the 25th International Council of Museums (ICOM) General Conference in Kyoto (September 2019)

Installed “machi no joho” (town information) function on radiko app

- In a technology tie-up with Radiko Co., Ltd., developed a function enabling users of the radiko app to access it utilizing SoundUD.

#### SoundUD Consortium

With Yamaha Corporation acting as secretariat, this consortium was established to create a society free from language and hearing barriers. More than 300 organizations in a wide range of industries currently participate in the consortium, including local governments, transportation operators, commercial and entertainment facilities, stadium operators, and broadcasters.



JAPAN  
TOURISM  
AWARDS

SoundUD Consortium won a special award for digital utilization at the 5th Japan Tourism Awards granted by Tourism Expo Japan



SoundUD Consortium won a Semi Grand Prix in the Total Solutions Category at CEATEC Award 2019

CEATEC (Combined Exhibition of Advanced Technologies) 2019 is one of Asia's largest international IT and electronics exhibitions

\*Universal Design, i.e., design facilitating access by all people regardless of disability, age, gender, ethnicity, etc.

## Recognition of efforts to create a climate where diverse individuals can play active roles

### Yamaha awarded highest “Gold” ranking in Pride 2019 Index



work with Pride



Yamaha was awarded the highest “Gold” ranking in the Pride Index, developed by the voluntary organization “work with Pride” to assess gender materiality including LGBT inclusivity (October 2019)

Yamaha was ranked highly for a series of initiatives relating to employment rules and revision of various regulations. These included holding LGBT inclusivity seminars, creating an LGBT Ally logo, establishing an LGBT help desk, and including same-sex partners in the definition of family within the employment rules.

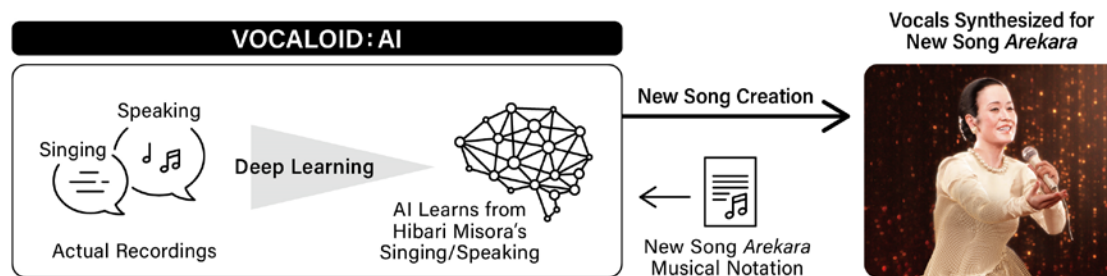


# Topic

## Innovate AI technology to expand the boundaries of musical creativity through human sensitivity

### Yamaha VOCALOID:AI Faithfully Reproduces Singing of Legendary Japanese Vocalist Hibari Misora

Technical cooperation with an NHK (Japan Broadcasting Corporation) television program

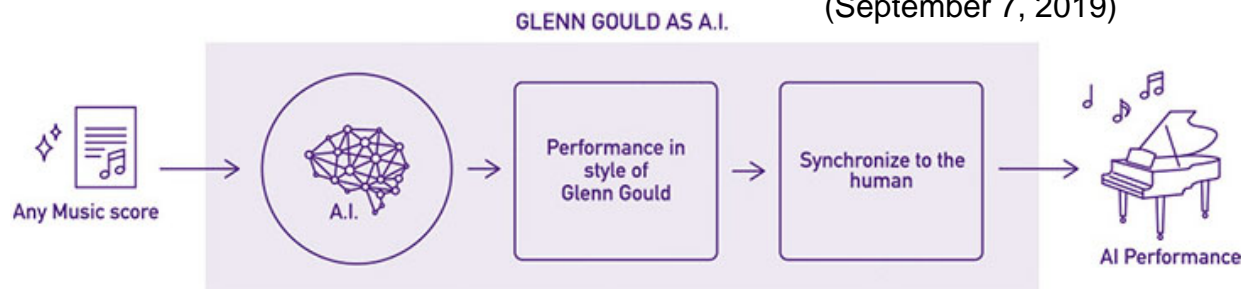


“NHK Special: Bringing Hibari Misora Back with AI” broadcast in Japan on September 29, 2019

## Yamaha Dear Glenn Project Unveils AI System that Reproduces Performance Style of Legendary Pianist Glenn Gould

The world's first\*1 AI piano system unveiled at Ars Electronica Festival, one of the world's largest media festivals, held in Austria (September 7, 2019)

\*1: As of August 2019, Yamaha Corporation's internal survey.



AI system reproduces performance style of Glenn Gould from the analyzed performance data of music recordings of the pianist. Glenn Gould AI can also spontaneously interact with human players while performing.



AI can reproduce Gould's performance style even when the piece was never recorded by the artist.



# Topic

## Electronic Organ, Synthesizer, and FM Sound Generator LSIs Registered as “Future Technology Heritage” Specimens (September 2019)

Three products developed by Yamaha Corporation have been registered as “important specimens from the history of science and technology” (commonly known as “future technology heritage” specimens) under the system managed by the National Museum of Nature and Science. They are the D-1 electronic organ, the DX7 digital synthesizer, and the YM3526 and YMU757 FM sound generators.

These are the first musical instruments and LSIs to be registered as “future technology heritage” specimens.



***Electone D-1 Electronic Organ***

This electronic organ was the starting point for electronic musical instrument technology in Japan.

Debut: 1959



***DX7 Digital Synthesizer***

DX7 is the revolutionary digital synthesizer that changed the music scene.

Debut: 1983



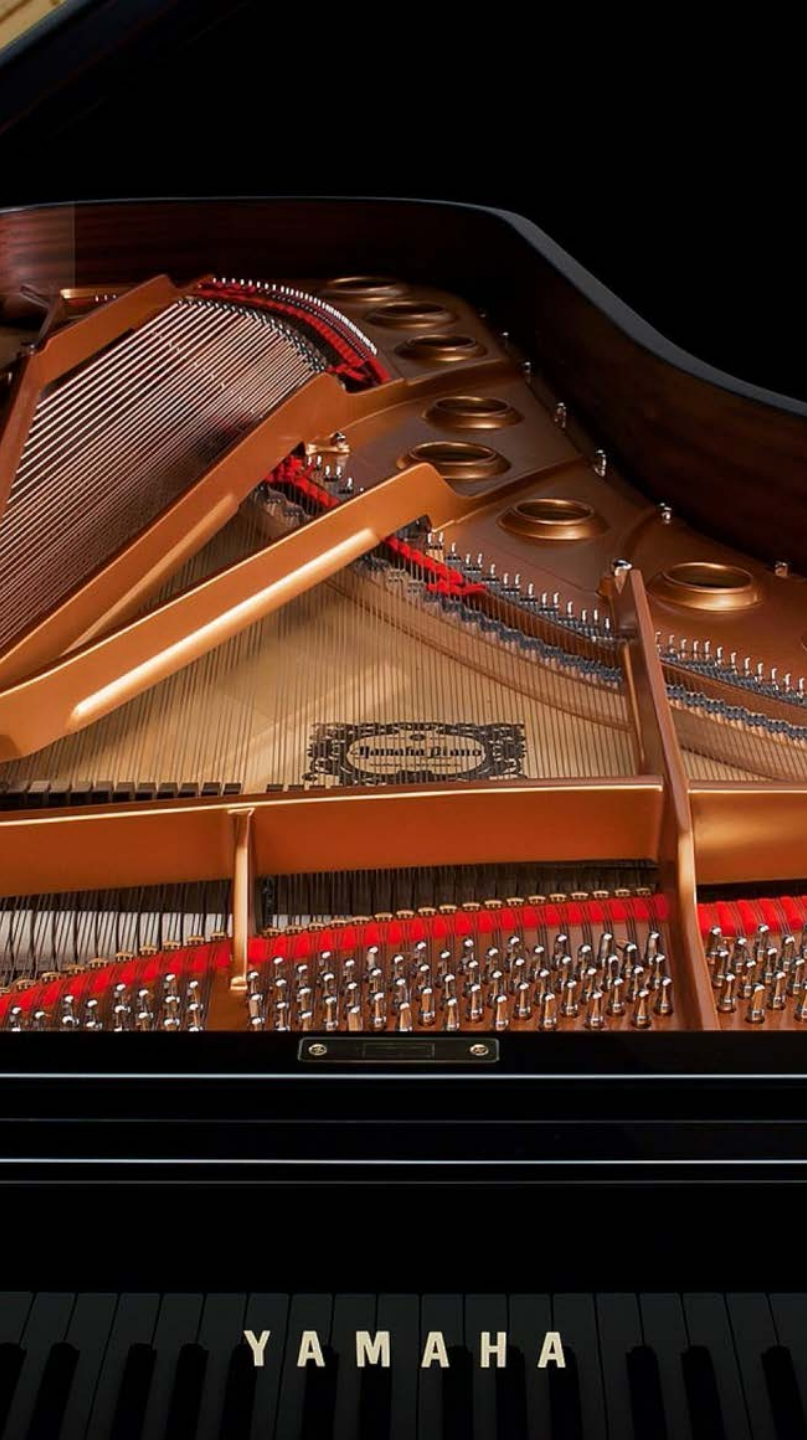
***YM3526 and YMU757 FM Sound Generator LSIs***

These FM sound generator chips brought high-quality sound to PCs, game consoles, and cell phones.

YM3526 Debut: 1984

YMU757 Debut: 1999





# Appendix

# Performance in 2Q FY2020.3 (Three Months)

(billions of yen)

	FY2019.3 2Q	FY2020.3 2Q	Change	
<b>Revenue</b>	108.8	<b>109.0</b>	+0.2	+0.2% <sup>*2</sup>
<b>Core Operating Profit</b> (Core Operating Profit Ratio)	14.3 (13.1%)	<b>15.4</b> (14.1%)	+1.1	+7.5%
<b>Net Profit</b> <sup>*1</sup>	11.7	<b>13.8</b>	+2.2	+18.4%

## Exchange Rate (yen)

<b>Revenue</b> (Average rate during the period)	<b>US \$</b>	111	<b>107</b>
	<b>EUR</b>	130	<b>119</b>
<b>Profit</b> (Settlement rate)	<b>US \$</b>	111	<b>108</b>
	<b>EUR</b>	131	<b>123</b>

<sup>\*2</sup> +4.3%  
(Excluding the impact of exchange rate)

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

# Performance by Business Segment in 2Q FY2020.3 (Three Months)

(billions of yen)

		FY2019.3 2Q	FY2020.3 2Q	Change	Exchange rate impact
<b>Musical Instruments</b>	<b>Revenue</b>	<b>69.3</b>	<b>71.1</b>	<b>+1.8</b>	<b>-3.1</b>
	<b>Core Operating Profit</b>	<b>10.8</b>	<b>12.4</b>	<b>+1.7</b>	<b>-1.5</b>
	Core Operating Profit Ratio	15.5%	17.5%	+2.0P	
<b>Audio Equipment</b>	<b>Revenue</b>	<b>30.2</b>	<b>29.7</b>	<b>-0.5</b>	<b>-1.3</b>
	<b>Core Operating Profit</b>	<b>2.8</b>	<b>2.8</b>	<b>0</b>	<b>-0.5</b>
	Core Operating Profit Ratio	9.2%	9.4%	+0.2P	
<b>IMC<sup>*1</sup> Business and Others</b>	<b>Revenue</b>	<b>9.3</b>	<b>8.2</b>	<b>-1.1</b>	<b>-0.1</b>
	<b>Core Operating Profit</b>	<b>0.7</b>	<b>0.1</b>	<b>-0.6</b>	<b>0</b>
	Core Operating Profit Ratio	7.9%	1.5%	-6.4P	

\*1 Industrial Machinery and Components

# 1H Other Income and Expenses (Six Months)

(billions of yen)

		FY2019.3 1H	FY2020.3 1H
<b>Core Operating Profit</b>		<b>26.7</b>	<b>26.1</b>
<b>Other Income and Expenses</b>	Profit from (loss on) disposal of fixed assets	0	0.2
	Others	-0.2	1.2
	<b>Total</b>	<b>-0.2</b>	<b>1.4</b>
<b>Operating Profit</b>		<b>26.5</b>	<b>27.6</b>
<b>Financial Income and Expenses</b>	Dividends income	2.0	1.9
	Others	0.7	-0.6
	<b>Total</b>	<b>2.7</b>	<b>1.3</b>
<b>Profit before Income Taxes</b>		<b>29.2</b>	<b>28.9</b>
Income taxes		8.0	7.6
Net profit attributable to non-controlling interests		0	0.1
<b>Net Profit <sup>*1</sup></b>		<b>21.2</b>	<b>21.1</b>

\*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

(billions of yen)

		FY2019.3 Full year	FY2020.3 Full year (projections)
<b>Core Operating Profit</b>		<b>52.7</b>	<b>53.0</b>
<b>Other Income and Expenses</b>	Profit from (loss on) disposal of fixed assets	-0.3	0.2
	Others	0.3	1.3
	Total	0.1	1.5
<b>Operating Profit</b>		<b>52.8</b>	<b>54.5</b>
<b>Financial Income and Expenses</b>	Dividends income	3.8	3.7
	Others	-0.1	-1.2
	Total	3.7	2.5
<b>Profit before Income Taxes</b>		<b>56.5</b>	<b>57.0</b>
Income taxes		16.1	15.4
Net profit attributable to non-controlling interests		0	0.1
<b>Net Profit <sup>*1</sup></b>		<b>40.3</b>	<b>41.5</b>

\*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.**