



February 6, 2024

For Immediate Release

Company Name: YAMAHA CORPORATION

President and Representative Executive Officer: Takuya Nakata

Code Number: 7951 (TSE Prime Market)

Yamaha Reports Third Quarter (Nine Months) Results for the Fiscal Year Ending March 2024 and Full Year Outlook [IFRS]

□ Third Quarter Results for the Fiscal Year Ending March 31, 2024 (FY2024.3)

A Year-on-Year Increase in Revenue but Decline in Profit

For the period through the third quarter of FY2024.3 (April 1, 2023, to December 31, 2023), revenue increased by ¥3.6 billion (+1.1%) year on year to ¥341.8 billion. This increase was due to the recovery in 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-than-expected return of demand for digital pianos, especially for entry-level models, in the US and in Europe, and the prolonged slump in market conditions in the Chinese market. Core operating profit decreased by ¥10.9 billion (-28.2%) year on year to ¥27.8 billion, partly due to lower sales in the musical instruments business and production adjustments to reduce inventories. Profit attributable to owners of the parent decreased by ¥9.3 billion (-30.9%) to ¥20.7 billion, due to the booking of a ¥2.1 billion impairment loss on the piano frame manufacturing process in China as a result of a review of manufacturing strategy.

➤ Revenue and Profit/Loss by Reportable Segment

Figures in parentheses are percentage changes from the same period of the previous fiscal year, unless indicated otherwise.

Musical Instruments

Revenue of ¥228.1 billion (-1.0%) and core operating profit of ¥21.4 billion (-32.0%).

Revenue of acoustic pianos declined due to sluggish sales in China. Revenue of digital musical instruments decreased due to a decline in demand for entry-level models. On the other hand, revenue of wind, string and percussion instruments increased partly due to the higher sales because of the recovery of demand in Japan and Europe.

Revenue of the musical instruments segment overall declined by ¥2.4 billion year on year. Core operating profit decreased by ¥10.0 billion.

Audio Equipment

Revenue of ¥86.2 billion (+13.3%) and core operating profit of ¥4.1 billion (+139.5%)

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

Revenue of the audio equipment segment overall increased significantly by ¥10.1 billion year on year. Core operating profit increased by ¥2.4 billion year on year.

Industrial Machinery/Components and Others

Revenue of ¥27.5 billion (-13.2%) and core operating profit of ¥2.4 billion (-58.3%)

Revenue of electronic devices increased, while revenue of factory automation (FA) equipment and golf products declined.

Revenue of the industrial machinery/components and others segment overall declined significantly by ¥4.2 billion year on year. Core operating profit declined by ¥3.3 billion.

□ Outlook for Performance in FY2024.3

Downward Revision Taking into Account Market Trends and Other Factors

Taking into account a slower-than-expected return of demand for digital pianos, especially for entry-level models, despite some signs of recovering, a decrease in revenue due to the prolonged slump in market conditions in the Chinese market and the deterioration in profitability at its plants due to the resulting further production cutbacks, the Company has revised its forecast downward for revenue, core operating profit and profit for the period attributable to owners of the parent.

As a result, the Company has revised its full-year earnings forecast for the fiscal year ending March 31, 2024, announced on November 1, 2023, from ¥465.0 billion in revenue (+3.0% year on year), ¥42.0 billion in core operating profit (-8.4% year on year) and ¥34.5 billion in profit for the period attributable to owners of the parent (-9.6% year on year), to ¥460.0 billion (+1.9% year on year), ¥34.0 billion (-25.9% year on year), and ¥29.0 billion (-24.1% year on year), respectively.

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

1. Core operating profit corresponds to operating profit under Japanese GAAP and is calculated by subtracting selling, general and administrative expenses from gross profit.
2. Figures for revenue and profit or loss in the text of this release have, in principle, been rounded to the nearest ¥100 million.

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Third Quarter of FY2024.3 Performance Outline <IFRS>

YAMAHA CORPORATION

February 6, 2024

(Billions of yen)

(1) Key Financial Indicators

	Three Months Results Ended Dec. 31, 2022	Three Months Results Ended Dec. 31, 2023	Nine Months Results Ended Dec. 31, 2022	Nine Months Results Ended Dec. 31, 2023	Results ^(**10) (Previous Year)	Projections (Full Year)	Previous Projections (Full Year) (Announced on Nov. 1, 2023)
	FY2023.3	FY2024.3	FY2023.3	FY2024.3	FY2023.3	FY2024.3	FY2024.3
Revenue	120.2	122.2	338.2	341.8	451.4	460.0	465.0
Japan	27.3 (22.7%)	26.2 (21.5%)	77.4 (22.9%)	78.1 (22.9%)	108.6 (24.1%)	108.7 (23.6%)	108.2 (23.3%)
Overseas	92.9 (77.3%)	95.9 (78.5%)	260.8 (77.1%)	263.7 (77.1%)	342.8 (75.9%)	351.3 (76.4%)	356.8 (76.7%)
Core Operating Profit ^(*)	14.3 (11.9%)	12.5 (10.2%)	38.7 (11.5%)	27.8 (8.1%)	45.9 (10.2%)	34.0 (7.4%)	42.0 (9.0%)
Operating Profit	14.4 (12.0%)	10.2 (8.3%)	39.2 (11.6%)	25.6 (7.5%)	46.5 (10.3%)	31.5 (6.8%)	42.0 (9.0%)
Profit before Income Tax	11.7 (9.8%)	7.7 (6.3%)	41.8 (12.4%)	29.5 (8.6%)	50.6 (11.2%)	37.0 (8.0%)	47.5 (10.2%)
Net Profit ^(**2)	9.2 (7.7%)	5.8 (4.7%)	30.0 (8.9%)	20.7 (6.1%)	38.2 (8.5%)	29.0 (6.3%)	34.5 (7.4%)
Currency Exchange Rate ^(**3) (Settlement Rate) (=yen)	144/US\$ 137/EUR	149/US\$ 146/EUR	136/US\$ 135/EUR	143/US\$ 144/EUR	136/US\$ 136/EUR	143/US\$ 146/EUR	140/US\$ 146/EUR
ROE ^(**4)	8.3%	4.8%	9.4%	5.9%	8.8%	6.1%	7.3%
ROIC ^(**5,6)	9.8%	7.4%	8.5%	5.5%	7.8%	5.6%	6.4%
ROA ^(**7)	6.3%	3.6%	6.9%	4.5%	6.5%	4.7%	5.6%
Basic Earnings per Share	53.6yen	34.2yen	174.8yen	122.5yen	222.6yen	171.6yen	204.1yen
Capital Expenditures (Depreciation Expenses)	6.3 (3.3)	3.2 (3.5)	12.9 (9.8)	16.0 (10.4)	20.5 (13.1)	31.5 (14.0)	32.5 (14.0)
R&D Expenses	6.2	6.8	18.5	19.8	25.1	25.5	25.5
Cash Flows							
Operating Activities	-12.8	6.4	-27.1	26.1	-14.8	55.0	73.0
Investing Activities	-1.6	-5.0	-7.7	-20.8	-21.6	-27.0	-28.0
Free Cash Flow	-14.4	1.4	-34.8	5.3	-36.4	28.0	45.0
Inventories at End of Period	-	-	156.2	170.7	153.7	157.0	142.0
Number of Employees							
Japan	-	-	5,634	5,576	5,573	5,600	5,600
Overseas	-	-	14,424	14,361	14,454	14,500	14,500
Total ^(**8)	-	-	20,058	19,337	20,027	20,100	20,100
Temporary Staff (Average during the period)	-	-	8,388	6,657	8,225	7,000	7,400
Revenue by Business Segment							
Musical Instruments	80.3 (66.8%)	79.8 (65.3%)	230.4 (68.1%)	228.1 (66.8%)	302.7 (67.1%)	305.0 (66.3%)	310.0 (66.7%)
Audio Equipment	28.7 (23.9%)	33.6 (27.5%)	76.1 (22.5%)	86.2 (25.2%)	107.6 (23.8%)	118.0 (25.7%)	115.0 (24.7%)
Others	11.2 (9.3%)	8.8 (7.2%)	31.6 (9.4%)	27.5 (8.0%)	41.1 (9.1%)	37.0 (8.0%)	40.0 (8.6%)
Core Operating Profit ^(**1) by Business Segment							
Musical Instruments	10.8	8.4	31.4	21.4	36.2	26.5	32.0
Audio Equipment	1.3	3.4	1.7	4.1	3.5	5.0	6.0
Others	2.2	0.7	5.6	2.4	6.2	2.5	4.0

(2) Revenue by Business Segment and Region

(Billions of yen)

Nine Months Results Ended Dec. 31, 2023 (April-Dec. 2023)	Musical Instruments		Audio Equipment		Others		Total	
	Revenue	Change ^(**9)	Revenue	Change ^(**9)	Revenue	Change ^(**9)	Revenue	Change ^(**9)
Japan	43.5	100%	20.3	104%	14.3	99%	78.1	101%
North America	59.2	94%	21.8	118%	5.8	101%	86.8	99%
Europe	47.8	102%	23.3	108%	0.1	70%	71.2	104%
China	34.9	82%	4.3	81%	4.2	120%	43.4	84%
Other Areas	42.6	95%	16.5	120%	3.0	35%	62.2	92%
Total	228.1	94%	86.2	109%	27.5	84%	341.8	97%

*1 Core operating profit is corresponding to operating income under the Japanese GAAP, and is calculated deducting SG&A from gross profit.

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

*3 Currency exchange rate is the export and import transaction rate applied to profit calculation.

4Q Currency Exchange Rates US\$=145JPY EUR=155JPY

*4, 5, 7 ROE and ROA are calculated on an annually adjusted basis.

*6 ROIC = core operating profit after income taxes / (equity attributable to owners of parent + interest-bearing debt)

*8 Number of employees = Number of full-time staff at end of the period

*9 The Change indicates actual year-on-year changes discounting impact of exchange rates.

*10 Since the allocation of the acquisition consideration for the business combination was completed in the second quarter of the current fiscal year, the provisional accounting treatment at the end of the previous fiscal year was finalized and key financial indicators at the end of the

The Company made a decision related to the acquisition of treasury shares at the meeting of the Board of Directors held on February 6, 2024. The effect of this decision on acquisition of treasury shares has not been taken into the projections for FY2024.3.

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.