



YAMAHA CORPORATION

Flash Report Consolidated Basis (IFRS) Results through the Third Quarter of the Fiscal Year Ending March 31, 2022 (April 1, 2021 – December 31, 2021)

February 7, 2022

Company name:	YAMAHA CORPORATION (URL https://www.yamaha.com/en/)
Code number:	7951
Stock listing:	Tokyo Stock Exchange (First Section)
Address of headquarters:	10-1, Nakazawa-cho, Naka-ku, Hamamatsu, Shizuoka 430-8650, Japan
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Scheduled date to submit Quarterly Securities Report:	February 14, 2022
Scheduled date to begin dividend payments:	—
Supplementary materials to the quarterly financial statements have been prepared:	Yes
Presentation will be held to explain the quarterly financial results:	Yes (for securities analysts and institutional investors)

1. Consolidated Financial Results through the Third Quarter of FY2022.3 (April 1, 2021 – December 31, 2021)

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 third quarter of FY2022.3	302,331	11.0	34,860	20.1	40,626	52.1	41,864	62.5
Through the third quarter of FY2021.3	272,303	(15.6)	29,026	(31.5)	26,716	(39.3)	25,767	(43.3)

Note: Comprehensive income: **Third quarter of FY2022.3** **¥39,211 million** **(17.1%)**
Third quarter of FY2021.3 ¥47,293 million 41.1%

	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 third quarter of FY2022.3	30,029	69.6	30,002	70.3	172.41	—
Through the third quarter of FY2021.3	17,700	(46.1)	17,621	(46.1)	100.23	—

(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	%
Third quarter of FY2022.3 (As of December 31, 2021)	562,412	396,722	395,704	70.4
FY2021.3 (As of March 31, 2021)	557,616	396,949	395,958	71.0

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
FY2021.3	—	33.00	—	33.00	66.00
FY2022.3	—	33.00	—		
FY2022.3 (Forecast)				33.00	66.00

Note: Revisions from recently announced dividend forecast: None

3. Consolidated Financial Forecasts for FY2022.3 (April 1, 2021–March 31, 2022)

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

	Revenue		Core operating profit		Operating profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2022.3	395,000	6.0	41,000	0.7	46,500	32.7

	Profit before income taxes		Profit for the period attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
FY2022.3	48,000	29.4	35,000	31.5	201.79

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

- (1) Changes in the status 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)	Third quarter of FY2022.3	187,300,000 shares	FY2021.3	191,555,025 shares
(b) Number of treasury shares at the end of the period	Third quarter of FY2022.3	15,756,364 shares	FY2021.3	15,756,254 shares
(c) Average number of shares outstanding during the period (cumulative period)	Third quarter of FY2022.3	174,017,899 shares	Third quarter of FY2021.3	175,805,613 shares

Based on the resolution of the Board of Directors on November 26, 2021, the total number of outstanding shares decreased by 4,255,025 shares due to the cancellation of treasury shares on December 1, 2021.

*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 third quarter of FY2022.3, please refer to “Yamaha Reports Third Quarter (Nine Months) Results for the Fiscal Year Ending March 2022 and Full Year Outlook [IFRS]”, which was released today (February 7, 2022).

(Revisions from Recently Announced Consolidated Financial Forecasts)

Although product supply shortages continue due to difficulties in procuring semiconductors such as sound generator LSIs and disruptions in logistics, the Company has revised its forecasts upward as follows: full year consolidated revenue ¥395.0 billion, core operating profit ¥41.0 billion, operating profit ¥46.5 billion, profit before income taxes ¥48.0 billion, and profit for the period attributable to owners of parent ¥35.0 billion, due to the impact of foreign exchange rates.

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

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1. Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	FY2021.3 (as of March 31, 2021)	Third quarter of FY2022.3 (as of December 31, 2021)
Assets		
Current assets		
Cash and cash equivalents	129,345	171,540
Trade and other receivables	57,329	54,433
Other financial assets	8,573	4,668
Inventories	96,803	111,816
Other current assets	7,871	6,117
Subtotal	299,924	348,575
Assets held for sale	1,179	—
Total current assets	301,103	348,575
Non-current assets		
Property, plant and equipment	96,142	98,735
Right-of-use assets	22,231	21,357
Goodwill	160	167
Intangible assets	2,529	2,851
Financial assets	120,058	71,105
Deferred tax assets	7,407	8,217
Other non-current assets	7,983	11,401
Total non-current assets	256,513	213,836
Total assets	557,616	562,412

(Millions of yen)

	FY2021.3 (as of March 31, 2021)	Third quarter of FY2022.3 (as of December 31, 2021)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	56,915	56,493
Interest-bearing debt	7,980	7,904
Lease liabilities	5,696	5,680
Other financial liabilities	9,745	9,541
Income tax payables	4,045	19,516
Provisions	1,806	1,931
Other current liabilities	14,664	15,748
Total current liabilities	100,852	116,816
Non-current liabilities		
Interest-bearing debt	387	1,380
Lease liabilities	14,465	12,087
Other financial liabilities	178	141
Retirement benefit liabilities	22,576	24,011
Provisions	1,823	1,883
Deferred tax liabilities	18,244	7,072
Other non-current liabilities	2,137	2,295
Total non-current liabilities	59,814	48,872
Total liabilities	160,667	165,689
Equity		
Capital stock	28,534	28,534
Capital surplus	21,430	2,219
Retained earnings	337,923	389,451
Treasury shares	(65,086)	(73,285)
Other components of equity	73,156	48,784
Equity attributable to owners of parent	395,958	395,704
Non-controlling interests	991	1,018
Total equity	396,949	396,722
Total liabilities and equity	557,616	562,412

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

Condensed Quarterly Consolidated Statement of Income

Third quarter (nine months) ended December 31, 2020 and 2021

(Millions of yen)

	Third quarter of FY2021.3 (April 1, 2020 – December 31, 2020)	Third quarter of FY2022.3 (April 1, 2021 – December 31, 2021)
Revenue	272,303	302,331
Cost of sales	(167,564)	(185,794)
Gross profit	104,739	116,537
Selling, general and administrative expenses	(75,712)	(81,676)
Core operating profit	29,026	34,860
Other income	1,351	6,477
Other expenses	(3,661)	(711)
Operating profit	26,716	40,626
Finance income	1,075	3,244
Finance expenses	(2,024)	(2,006)
Profit before income taxes	25,767	41,864
Income taxes	(8,066)	(11,835)
Profit for the period	17,700	30,029
Profit for the period attributable to:		
Owners of parent		
Non-controlling interests	17,621	30,002
	79	27
Earnings per share		
Basic (Yen)	100.23	172.41
Diluted (Yen)	—	—

Condensed Quarterly Consolidated Statement of Comprehensive Income

Third quarter (nine months) ended December 31, 2020 and 2021

(Millions of yen)

	Third quarter of FY2021.3 (April 1, 2020 – December 31, 2020)	Third quarter of FY2022.3 (April 1, 2021 – December 31, 2021)
Profit for the period	17,700	30,029
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	4,770	2,194
Gains (losses) on financial assets measured at fair value through other comprehensive income	22,244	(712)
Total items that will not be reclassified to profit or loss	27,014	1,482
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	2,741	7,479
Gains (losses) on cash flow hedges	(164)	220
Total items that may be subsequently reclassified to profit or loss	2,577	7,699
Total other comprehensive income	29,592	9,181
Comprehensive income for the period	47,293	39,211
Comprehensive income for the period attributable to:		
Owners of parent	47,184	39,115
Non-controlling interests	109	95

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Third quarter of FY2021.3 (April 1, 2020—December 31, 2020)

(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, 2020	28,534	21,277	316,899	(65,093)	—	34,183	(10,461)
Profit for the period	—	—	17,621	—	—	—	—
Other comprehensive income	—	—	—	—	4,770	22,244	2,712
Total comprehensive income for the period	—	—	17,621	—	4,770	22,244	2,712
Purchase of treasury shares	—	—	—	(5)	—	—	—
Cancellation of treasury shares	—	—	—	—	—	—	—
Dividends	—	—	(11,603)	—	—	—	—
Share-based compensation	—	101	—	16	—	—	—
Changes in the ownership interest of a subsidiary without a loss of control	—	0	—	—	—	—	—
Reclassified to retained earnings	—	—	4,770	—	(4,770)	(0)	—
Total transactions with owners	—	102	(6,832)	11	(4,770)	(0)	—
Balance at December 31, 2020	28,534	21,379	327,687	(65,081)	—	56,427	(7,748)

(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, 2020	67	23,789	325,409	1,040	326,450
Profit for the period	—	—	17,621	79	17,700
Other comprehensive income	(164)	29,562	29,562	29	29,592
Total comprehensive income for the period	(164)	29,562	47,184	109	47,293
Purchase of treasury shares	—	—	(5)	—	(5)
Cancellation of treasury shares	—	—	—	—	—
Dividends	—	—	(11,603)	(59)	(11,663)
Share-based compensation	—	—	118	—	118
Changes in the ownership interest of a subsidiary without a loss of control	—	—	0	(165)	(165)
Reclassified to retained earnings	—	(4,770)	—	—	—
Total transactions with owners	—	(4,770)	(11,490)	(225)	(11,715)
Balance at December 31, 2020	(97)	48,582	361,103	924	362,027

Third quarter of FY2022.3 (April 1, 2021 – December 31, 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	—	—	30,002	—	—	—	—
Other comprehensive income	—	—	—	—	2,194	(712)	7,410
Total comprehensive income for the period	—	—	30,002	—	2,194	(712)	7,410
Purchase of treasury shares	—	—	—	(28,006)	—	—	—
Cancellation of treasury shares	—	(19,333)	(457)	19,790	—	—	—
Dividends	—	—	(11,501)	—	—	—	—
Share-based compensation	—	122	—	16	—	—	—
Changes in the ownership interest of a subsidiary without a loss of control	—	—	—	—	—	—	—
Reclassified to retained earnings	—	—	33,485	—	(2,194)	(31,290)	—
Total transactions with owners	—	(19,211)	21,526	(8,199)	(2,194)	(31,290)	—
Balance at December 31, 2021	28,534	2,219	389,451	(73,285)	—	39,782	8,905

(Millions of yen)

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total		
	Gain (losses) on cash flow hedges	Total			
Balance at April 1, 2021	(123)	73,156	395,958	991	396,949
Profit for the period	—	—	30,002	27	30,029
Other comprehensive income	220	9,113	9,113	68	9,181
Total comprehensive income for the period	220	9,113	39,115	95	39,211
Purchase of treasury shares	—	—	(28,006)	—	(28,006)
Cancellation of treasury shares	—	—	—	—	—
Dividends	—	—	(11,501)	(68)	(11,570)
Share-based compensation	—	—	138	—	138
Changes in the ownership interest of a subsidiary without a loss of control	—	—	—	—	—
Reclassified to retained earnings	—	(33,485)	—	—	—
Total transactions with owners	—	(33,485)	(39,369)	(68)	(39,438)
Balance at December 31, 2021	96	48,784	395,704	1,018	396,722

(4) Notes to the Condensed Quarterly Consolidated Financial Statements

Notes Regarding Assumptions as a Going Concern

Not applicable

Additional Information

Sale of a portion of the shares of Yamaha Motor Co., Ltd.

During the second quarter of the consolidated fiscal year, the Company sold a portion of its holdings of the shares of Yamaha Motor Co., Ltd. The proceeds from this sale, after deduction of commissions and other expenses, amounted to ¥46,087 million. This stock is classified as financial assets measured at fair value through other comprehensive income, and since there is no gain on sale of investment securities from the sale of these shares in the consolidated income statements, the impact on profit for the period is minimal.

Other Income

Gain on sale of fixed assets

The Company sold the land (Chuo-ku, Sapporo, Hokkaido), categorized as “Assets held for sale” in the consolidated statement of financial position, to ALJ Sapporo RE2 TMK (Chiyoda-ku, Tokyo) in the first quarter of the fiscal year ending March 31, 2022. As a result of the sale, the Company recorded a gain on sale of fixed assets of ¥4,700 million in other income.

Segment Information

(1) Summary of reportable segments

The Group’s reportable segments are composed of business units where 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.

Third quarter of FY2021.3 (April 1, 2020 – December 31, 2020)

(Millions of yen)

	Reportable segment			Others	Total	Adjustments	Consolidated
	Musical instruments	Audio equipment	Total				
Revenue							
Revenue from external customers	175,910	74,824	250,735	21,568	272,303	—	272,303
Intersegment revenue	—	—	—	185	185	(185)	—
Total	175,910	74,824	250,735	21,753	272,488	(185)	272,303
Core operating profit [Segment profit]	23,002	5,069	28,071	955	29,026	—	29,026
Other income							1,351
Other expenses							(3,661)
Operating profit							26,716
Finance income							1,075
Finance expenses							(2,024)
Profit before income taxes							25,767

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

Third quarter of FY2022.3 (April 1, 2021 – December 31, 2021)

(Millions of yen)

	Reportable segment			Others	Total	Adjustments	Consolidated
	Musical instruments	Audio equipment	Total				
Revenue							
Revenue from external customers	204,696	70,724	275,420	26,910	302,331	—	302,331
Intersegment revenue	—	—	—	241	241	(241)	—
Total	204,696	70,724	275,420	27,152	302,573	(241)	302,331
Core operating profit [Segment profit]	29,102	1,575	30,677	4,182	34,860	—	34,860
Other income							6,477
Other expenses							(711)
Operating profit							40,626
Finance income							3,244
Finance expenses							(2,006)
Profit before income taxes							41,864

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

Subsequent Events

There are no important sequential events to note.