



# Analyst and Investor Briefing on First Quarter of FY2025.3

(Fiscal year ending March 31, 2025)



July 31, 2024

**Yamaha Corporation**

# FY2025.3 1Q Highlights

## Overview

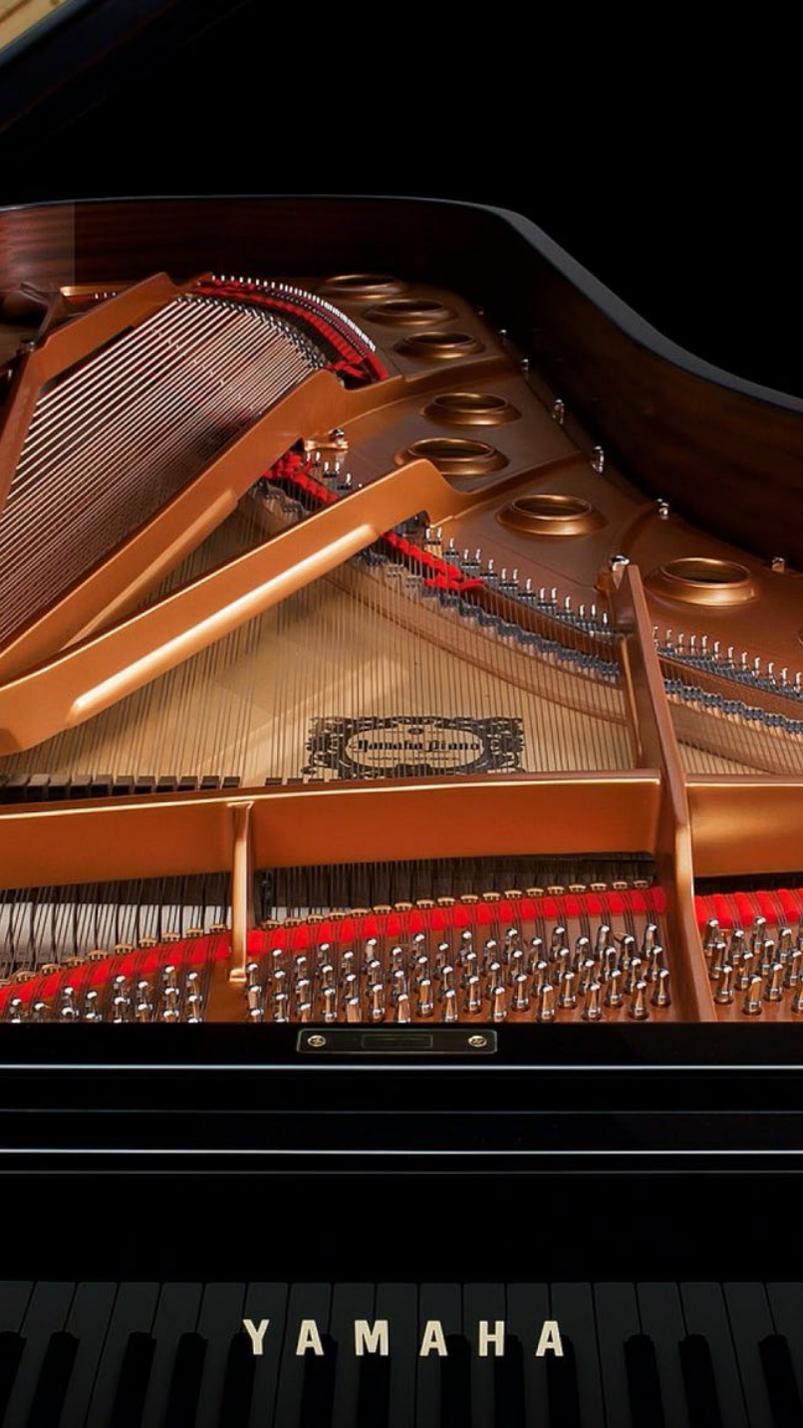
### Performance in FY2025.3 1Q

- Revenue increased year-on-year due to strong B2B sales of audio equipment and the impact of foreign exchange rates, but the revenue decreased in real terms due to struggling sales of musical instruments caused by prolonged sluggishness in the Chinese market.
- Core operating profit increased due to the contribution of foreign exchange, offsetting the actual profit decrease of musical instrument.

## Outlook

### Full Year Forecasts for FY2025.3

- Despite the effects of structural reforms, the forecast was revised to factor in further delays in the recovery of market condition in China.
- Implemented early voluntary retirement at piano factory in China.



# 1. Performance Summary

# FY2025.3 1Q (Three Months) Summary

(billions of yen)

	FY2024.3 1Q <sup>*3</sup>	FY2025.3 1Q	Change (YoY)	
<b>Revenue</b>	106.2	<b>112.1</b>	6.0	+5.6% <sup>*2</sup>
<b>Core Operating Profit</b> (Core Operating Profit Ratio)	6.5 (6.1%)	<b>9.2</b> <b>(8.2%)</b>	2.7	+41.5%
<b>Net Profit</b> <sup>*1</sup>	6.5	<b>9.4</b>	2.9	+45.2%

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

Exchange Rate (yen)			
<b>Revenue</b> (Average rate during the period)	<b>US\$</b>	137	<b>156</b>
	<b>EUR</b>	150	<b>168</b>
<b>Profit</b> (Settlement rate)	<b>US\$</b>	136	<b>155</b>
	<b>EUR</b>	140	<b>167</b>

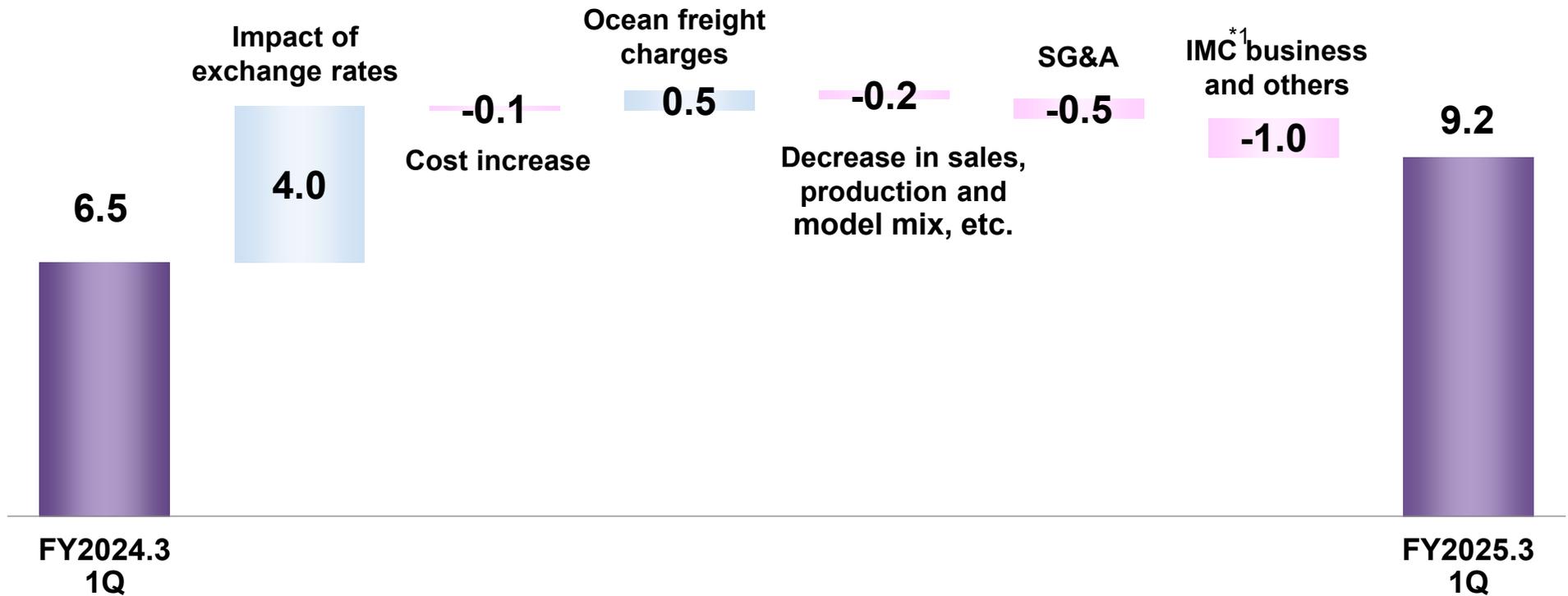
\*1 Net profit is presented as net profit attributable to owners of parent on the consolidated financial statements.

\*3 Figures for the previous fiscal year (FY2024.3) have been retroactively adjusted to reflect the finalization of the provisional accounting treatment of the acquisition of Cordoba Music Group, LLC.

# Core Operating Profit Analysis

Versus previous year

(billions of yen)



\*1 Industrial Machinery and Components

# Performance by Business Segment

(billions of yen)

		FY2024.3 1Q <sup>*2</sup>	FY2025.3 1Q	Change	Exchange rate impact
<b>Musical Instruments</b>	<b>Revenue</b>	<b>72.2</b>	<b>71.4</b>	<b>-0.8</b>	<b>5.8</b>
	<b>Core Operating Profit</b>	<b>4.7</b>	<b>4.2</b>	<b>-0.5</b>	<b>2.4</b>
	Core Operating Profit Ratio	6.5%	5.8%	-0.7P	
<b>Audio Equipment</b>	<b>Revenue</b>	<b>24.1</b>	<b>31.5</b>	<b>7.4</b>	<b>2.7</b>
	<b>Core Operating Profit</b>	<b>0.1</b>	<b>4.0</b>	<b>3.9</b>	<b>1.2</b>
	Core Operating Profit Ratio	0.4%	12.6%	12.2P	
<b>IMC<sup>*1</sup> Business and Others</b>	<b>Revenue</b>	<b>9.9</b>	<b>9.3</b>	<b>-0.6</b>	<b>0.8</b>
	<b>Core Operating Profit</b>	<b>1.7</b>	<b>1.1</b>	<b>-0.6</b>	<b>0.4</b>
	Core Operating Profit Ratio	17.3%	11.9%	-5.4P	

\*1 Industrial Machinery and Components

\*2 Figures for the previous fiscal year (FY2024.3) have been retroactively adjusted to reflect the finalization of the provisional accounting treatment of the acquisition of Cordoba Music Group, LLC.

# FY2025.3 Outlook

(billions of yen)

	FY2024.3 Full year	FY2025.3 Full year (projections)	Change	
<b>Revenue</b>	462.9	<b>475.0</b>	12.1	+2.6% <sup>*2</sup>
<b>Core Operating Profit</b> (Core Operating Profit Ratio)	33.7 (7.3%)	<b>46.0</b> <b>(9.7%)</b>	12.3	+36.7%
<b>Net Profit</b> <sup>*1</sup>	29.6	<b>35.5</b>	5.9	+19.8%

<sup>\*2</sup> -0.6%  
(Excluding the impact of exchange rate)

Exchange Rate (yen)			
<b>Revenue</b> (Average rate during the period)	<b>US\$</b>	145	<b>151</b>
	<b>EUR</b>	157	<b>162</b>
<b>Profit</b> (Settlement rate)	<b>US\$</b>	144	<b>151</b>
	<b>EUR</b>	146	<b>162</b>

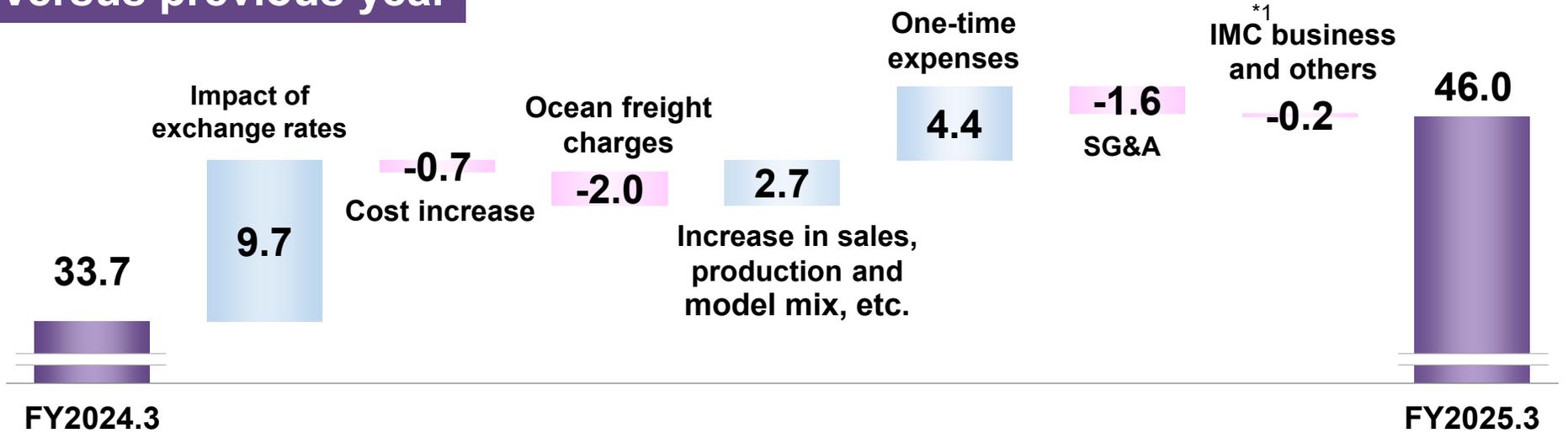
Currency sensitivity per JPY1
JPY 980 million
JPY 670 million
JPY 110 million
JPY 400 million

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

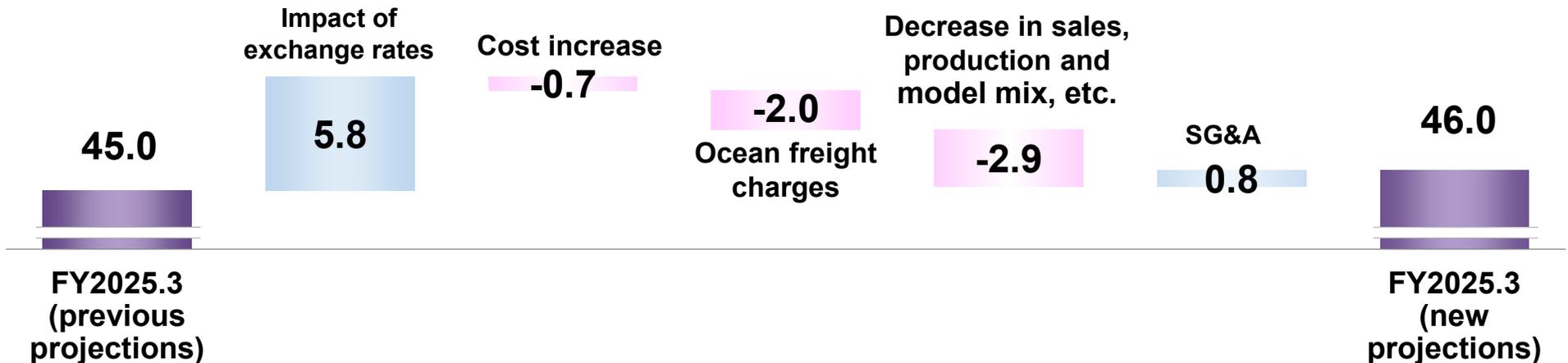
# Core Operating Profit Analysis

(billions of yen)

## Versus previous year



## Versus previous projections



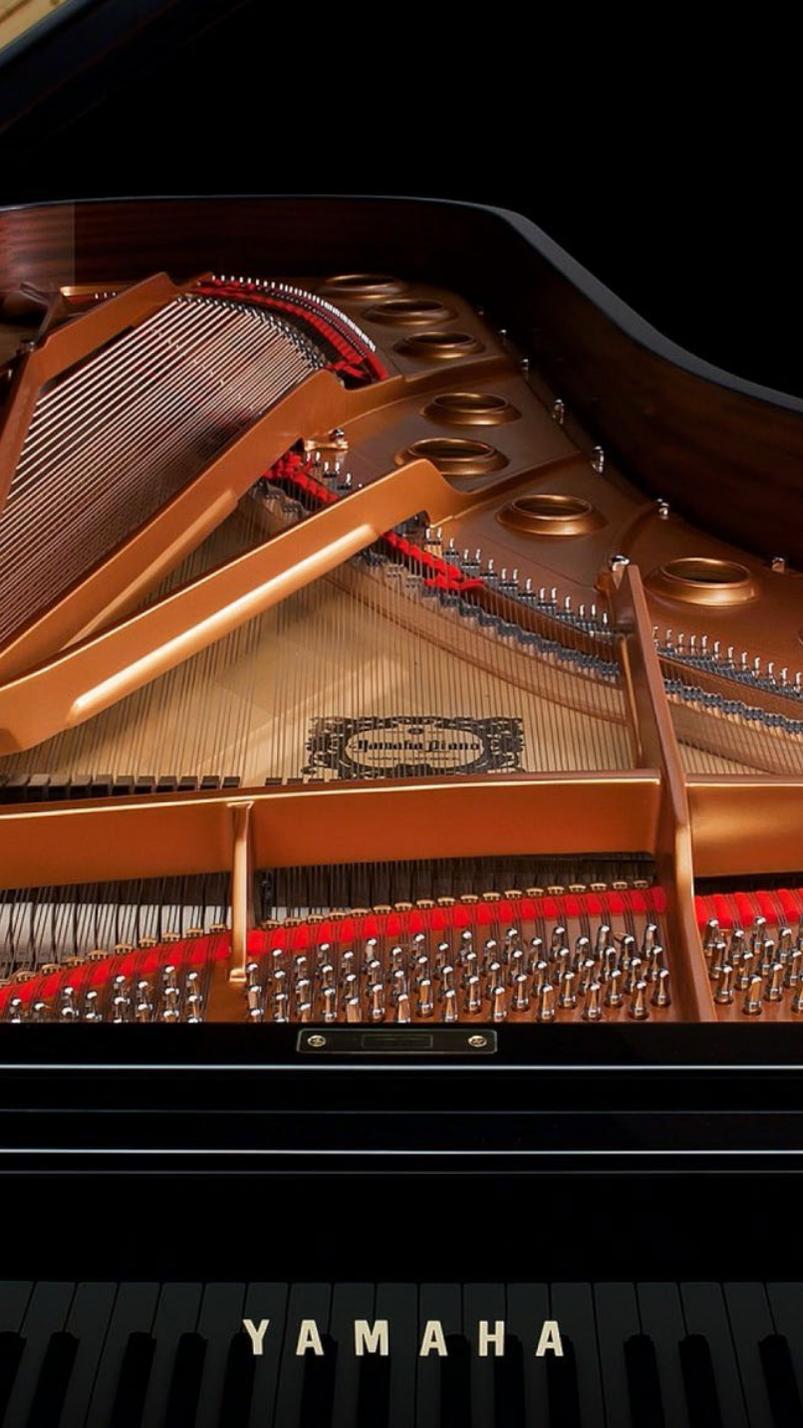
\*1 Industrial Machinery and Components

# Performance by Business Segment

(billions of yen)

		FY2024.3 Full Year	FY2025.3 Full year (projections)	Change	Exchange rate impact
<b>Musical Instruments</b>	<b>Revenue</b>	<b>305.2</b>	<b>305.0</b>	<b>-0.2</b>	<b>9.7</b>
	<b>Core Operating Profit</b>	<b>25.3</b>	<b>29.0</b>	<b>3.7</b>	<b>6.3</b>
	Core Operating Profit Ratio	8.3%	9.5%	1.2P	
<b>Audio Equipment</b>	<b>Revenue</b>	<b>121.1</b>	<b>131.0</b>	<b>9.9</b>	<b>4.0</b>
	<b>Core Operating Profit</b>	<b>6.4</b>	<b>14.0</b>	<b>7.6</b>	<b>2.9</b>
	Core Operating Profit Ratio	5.3%	10.7%	5.4P	
<b>IMC<sup>*1</sup> Business and Others</b>	<b>Revenue</b>	<b>36.6</b>	<b>39.0</b>	<b>2.4</b>	<b>1.2</b>
	<b>Core Operating Profit</b>	<b>1.9</b>	<b>3.0</b>	<b>1.1</b>	<b>0.6</b>
	Core Operating Profit Ratio	5.3%	7.7%	2.4P	

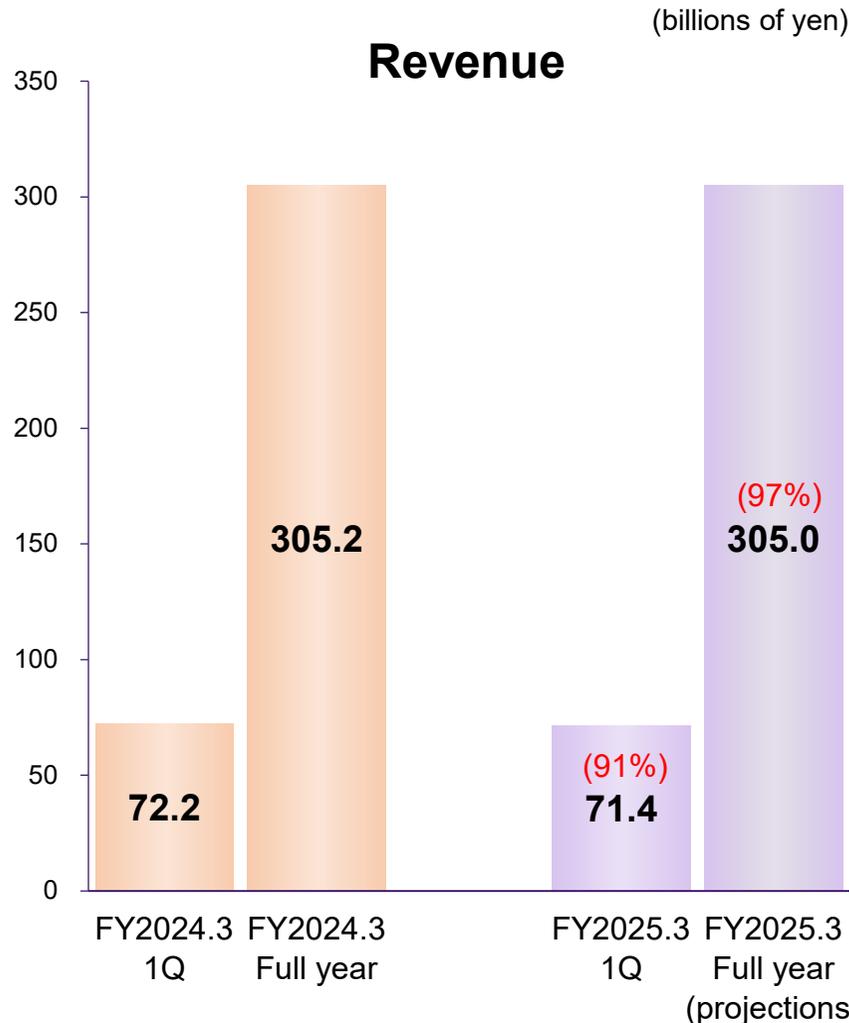
\*1 Industrial Machinery and Components



## 2. Segment Overview & Updates

Y A M A H A

# Segment Revenue and Core Operating Profit



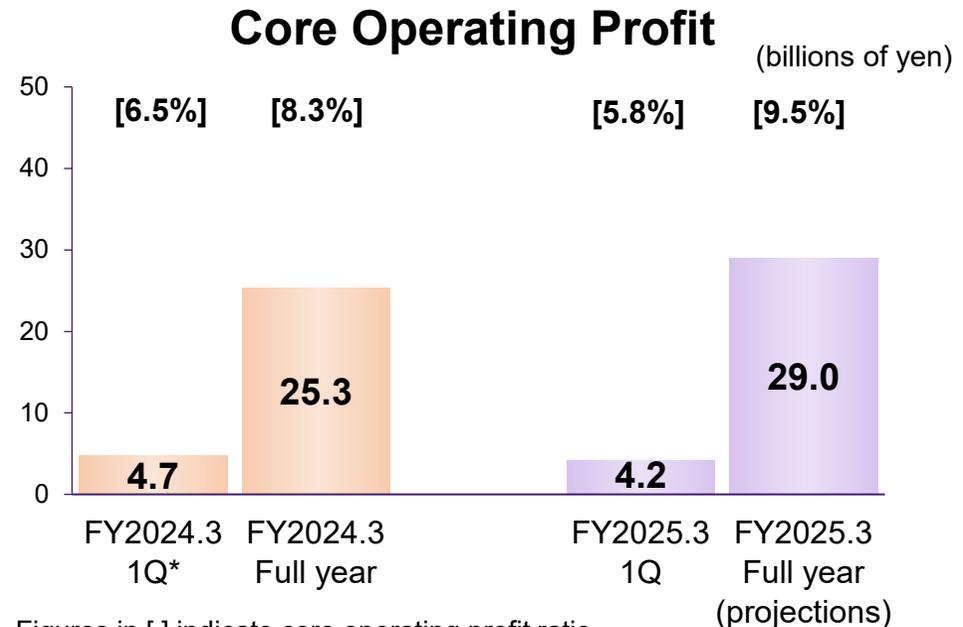
**Three Months: Revenue decreased, primarily due to sluggish Chinese market**

- Sales of pianos and digital musical instruments decreased due to lower demand in the Chinese market. Sales of wind, strings and percussion instruments increased due to robust demand. Sales of guitars decreased due to a downturn in the market.

**Full Year Projections: Overall sales projected to decline due to continued market weakness in China**

- Sales of pianos are projected to decrease due to market downturn, primarily in the Chinese market. Sales of digital musical instruments are projected to increase due to improved market inventory levels. Sales of wind, strings, and percussion instruments are projected to decrease as financial subsidies in the U.S. expire, and sales of guitars are projected to increase as market conditions recover.

(Comments are on local currency basis)



Red figures show actual YoY changes discounting impact of exchange rates

\* Figures for the previous fiscal year (FY2024.3) have been retroactively adjusted to reflect the finalization of the provisional accounting treatment of the acquisition of Cordoba Music Group, LLC.

Figures in [ ] indicate core operating profit ratio

# Revenue by Major Product Category

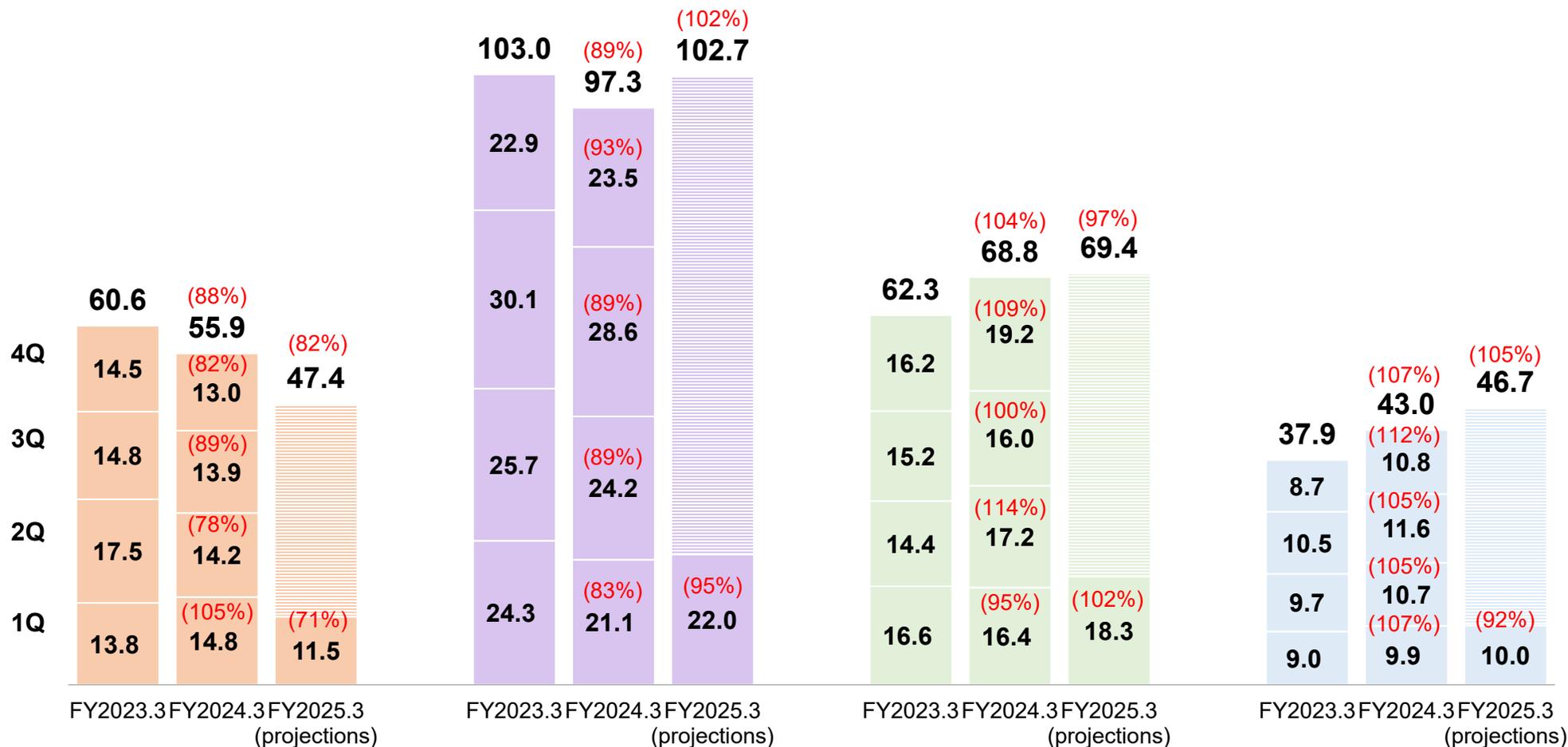
(billions of yen)

## Pianos

## Digital Musical Instruments

## Winds, Strings /Percussion

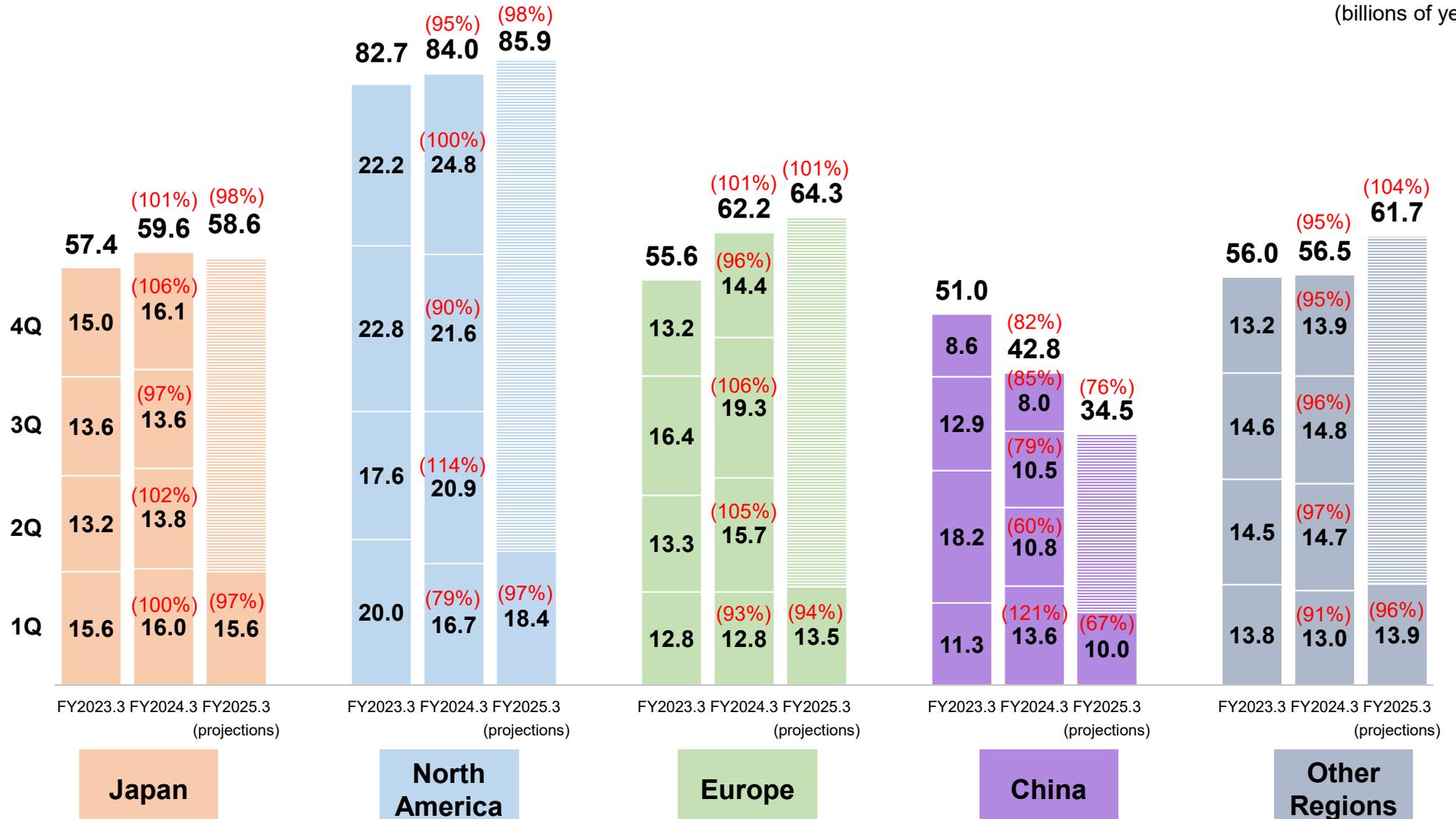
## Guitars



Red figures show actual YoY changes discounting impact of exchange rates

# Revenue by Region

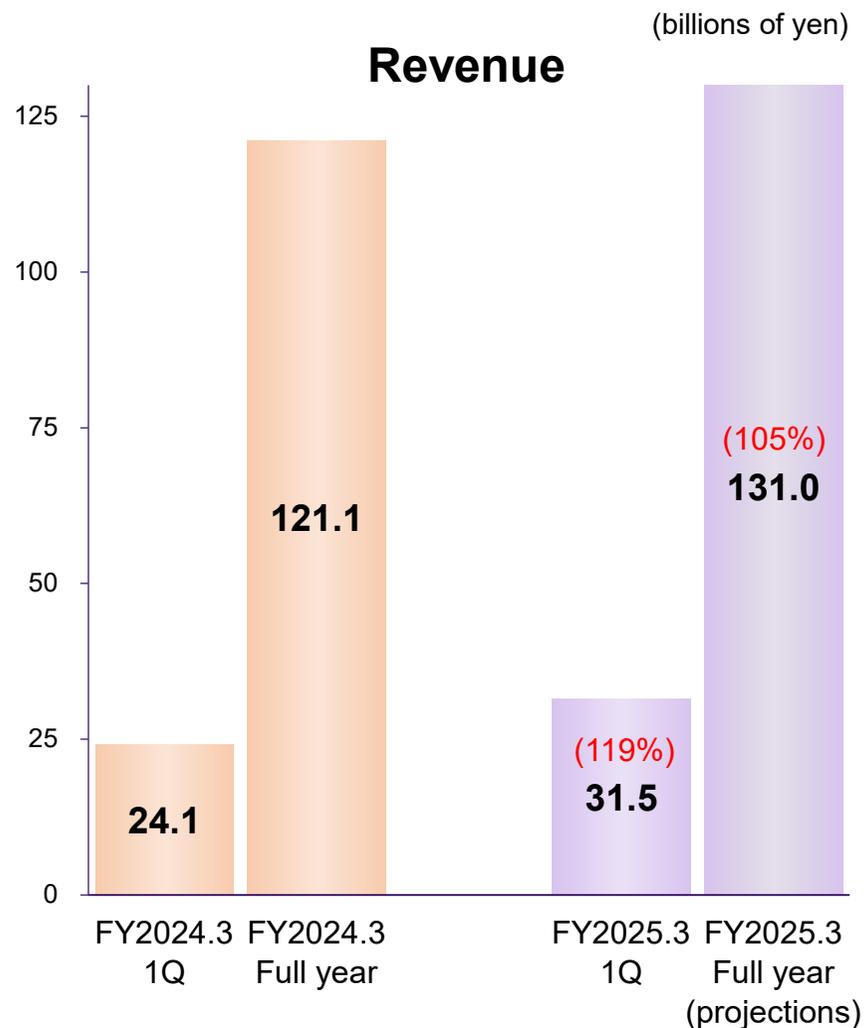
(billions of yen)



\* Software products and music schools included

Red figures show actual YoY changes discounting impact of exchange rates

# Segment Revenue and Core Operating Profit



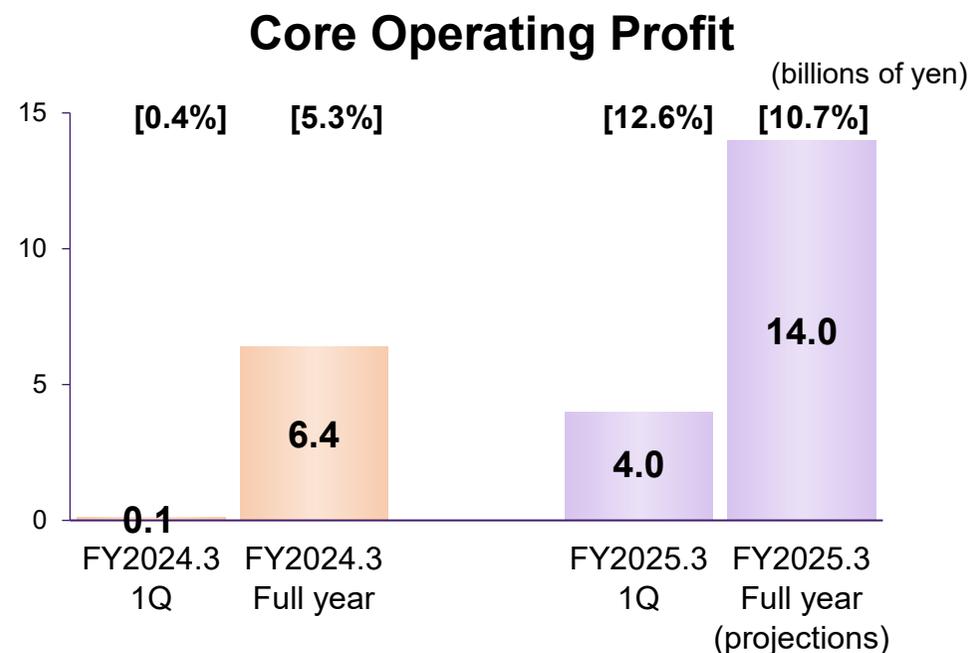
## Three Months: Revenue increased due to strong B2B product sales

- Home audio products business of consumer products downsized due to focusing on mid- to high-end products.
- B2B product sales increased significantly due to continued robust demand

## Full Year Projections: Revenue projected to increase due to robust demand for B2B products

- Consumer sales are projected to decrease due to scaling down of home audio business despite robust demand for music production and live/streaming products.
- B2B sales are projected to increase due to continued robust demand.

(Comments are on local currency basis)

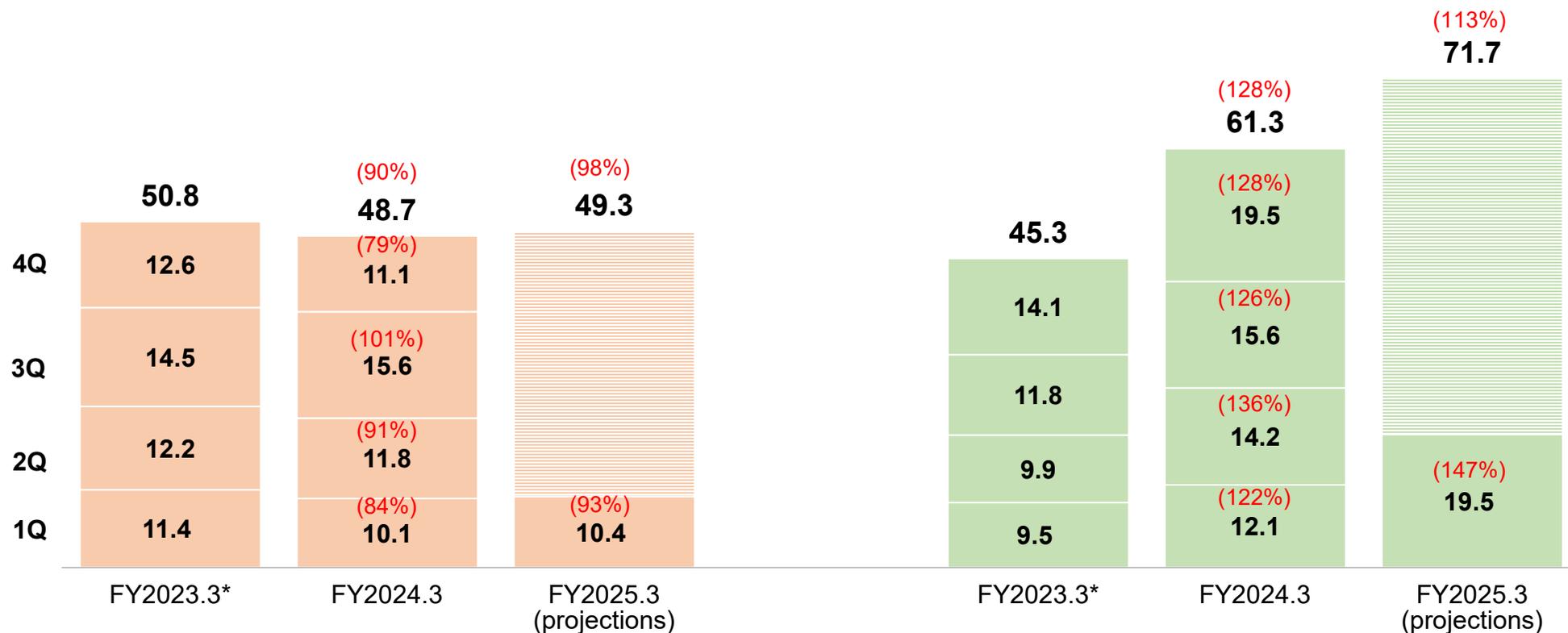


# Revenue by Major Product Category

(billions of yen)

## Consumer Products

## B2B Products

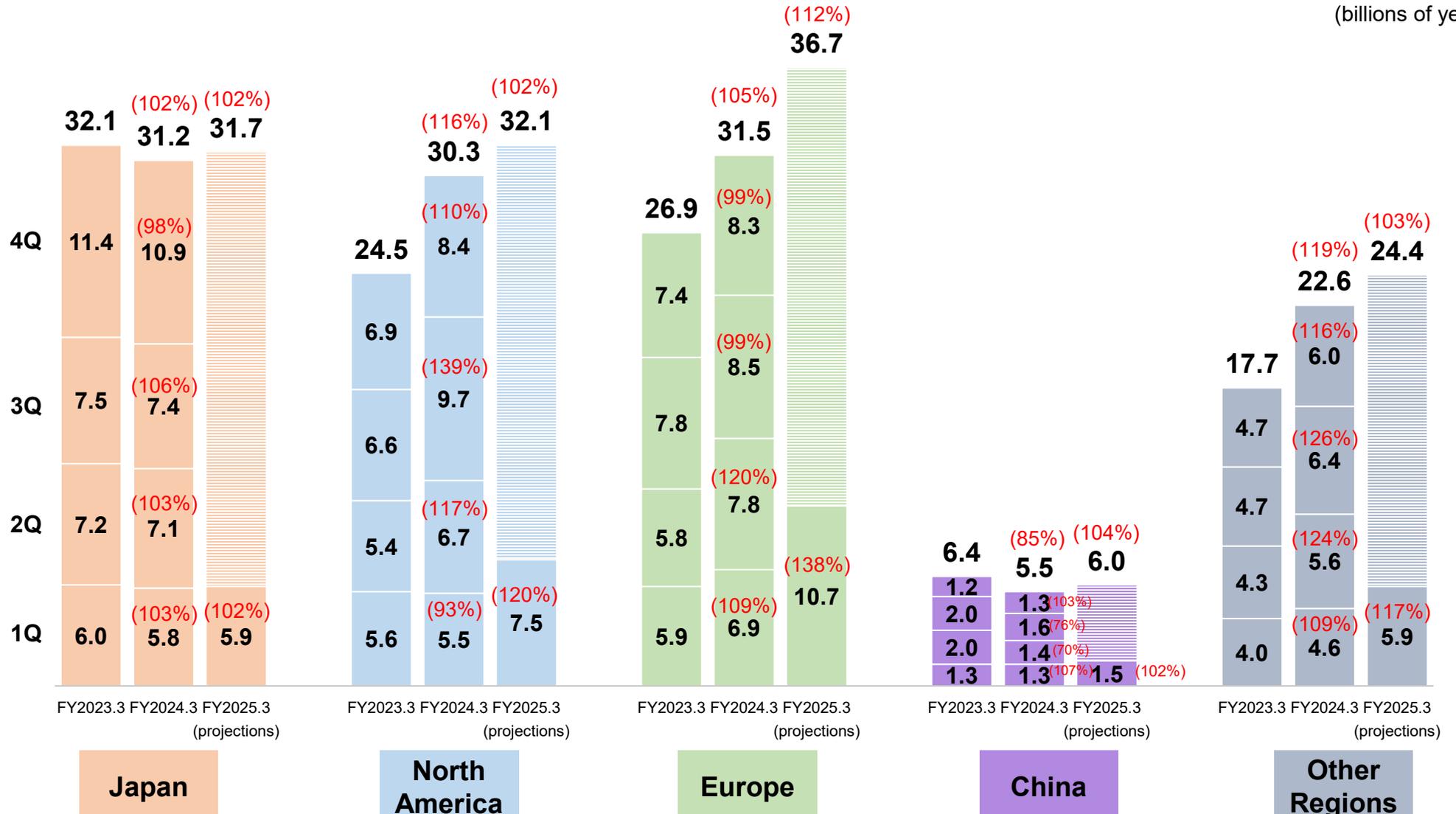


\*FY2023.3 figures have been adjusted to reflect the segment change from FY2024.3

Red figures show actual YoY changes discounting impact of exchange rates

# Revenue by Region

(billions of yen)

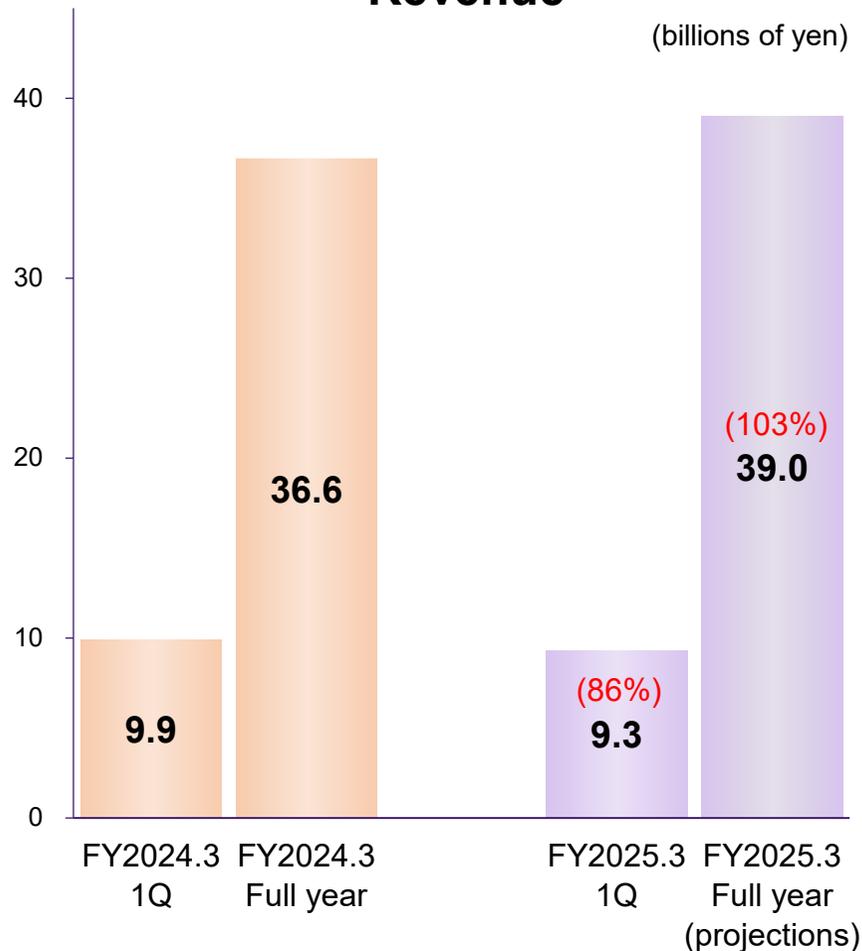


Red figures show actual YoY changes discounting impact of exchange rates

# Segment Revenue and Core Operating Profit

## Revenue

(billions of yen)



### Three Months:

- Sales of electronic devices increased driven by sales of automotive sound systems.
- Sales of automobile interior wood components, factory automation equipment and golf products decreased.

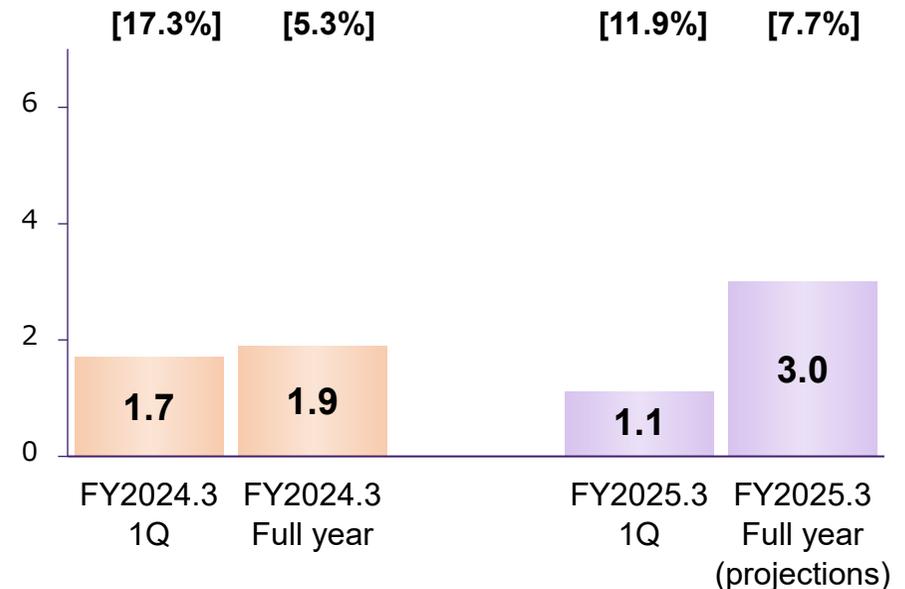
### Full Year Projections:

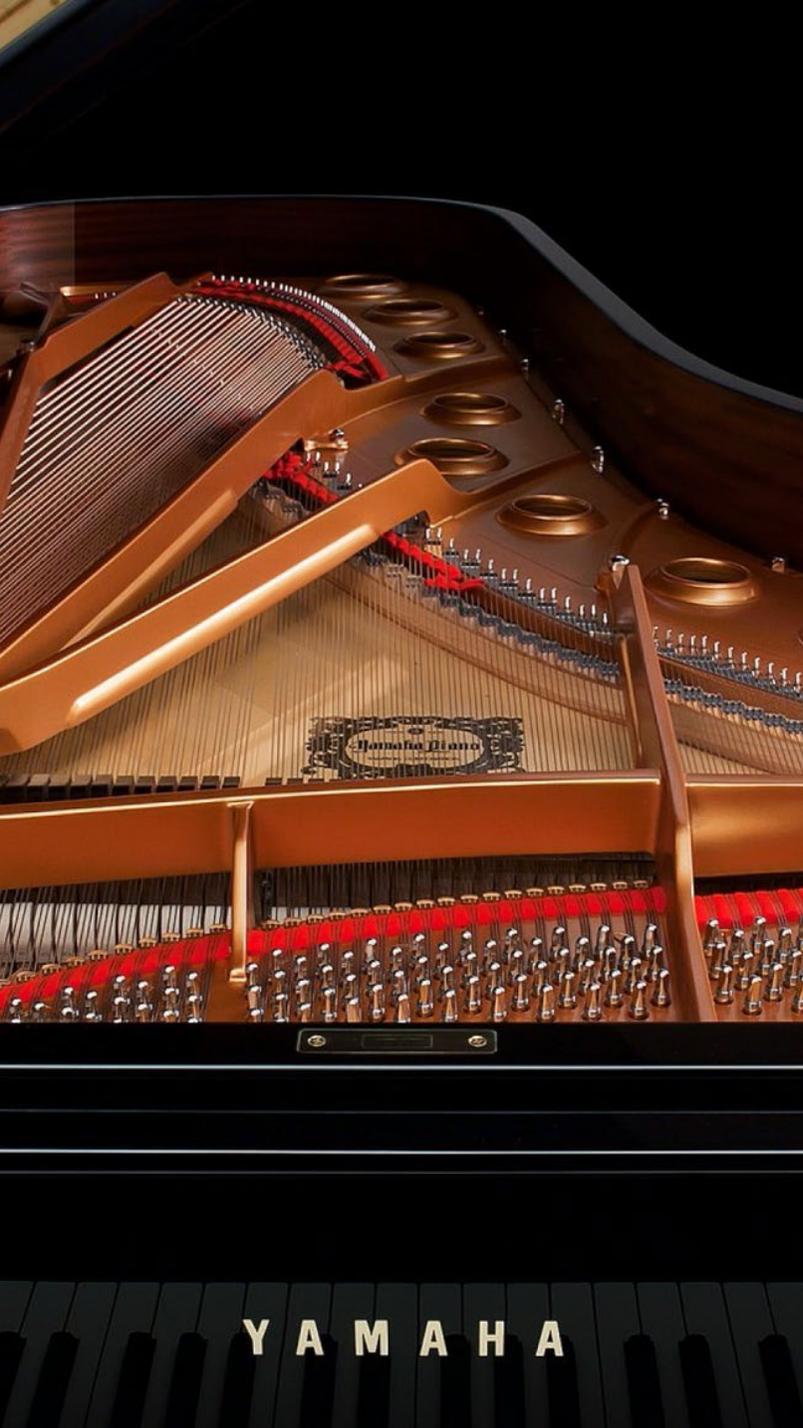
- Revenue is projected to increase due to continuing expansion of automotive sound systems.

(Comments are on local currency basis)

## Core Operating Profit

(billions of yen)





## 3. Other Financial Figures

# Balance Sheet Summary

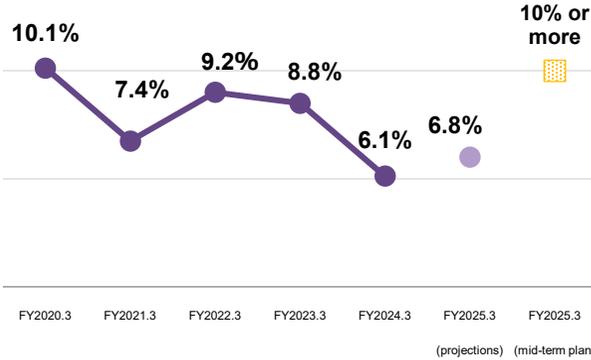
(billions of yen)

	As of March 31, 2024	As of June 30, 2024	Change	As of March 31, 2025 (projections)
Cash and cash equivalents	101.6	98.0	-3.6	128.0
Trade and other receivables	88.0	83.2	-4.8	89.0
Other financial assets	4.9	5.9	1.0	5.0
Inventories	164.1	174.4	10.3	145.0
Other current assets	10.7	8.7	-2.0	11.0
Non-current assets	297.5	307.3	9.8	300.5
<b>Total Assets</b>	<b>666.8</b>	<b>677.5</b>	<b>10.7</b>	<b>678.5</b>
Current liabilities	105.7	99.8	-5.8	99.5
Non-current liabilities	49.3	50.7	1.4	50.2
Total equity	5,11.8	526.9	15.1	528.8
<b>Total liabilities and equity</b>	<b>666.8</b>	<b>677.5</b>	<b>10.7</b>	<b>678.5</b>

# ROE, ROIC and Shareholder Returns

## ROE FY2025.3 forecast 6.8%

(Cost of shareholders' equity\* 7.9%)



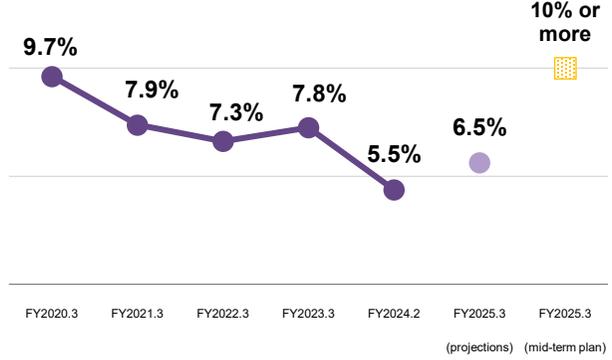
Make Waves 1.0

Make Waves 2.0

\* calculated with CAPM (Capital Asset Pricing Model)

## ROIC FY2025.3 forecast 6.5%

(WACC 7.9%)



Make Waves 1.0

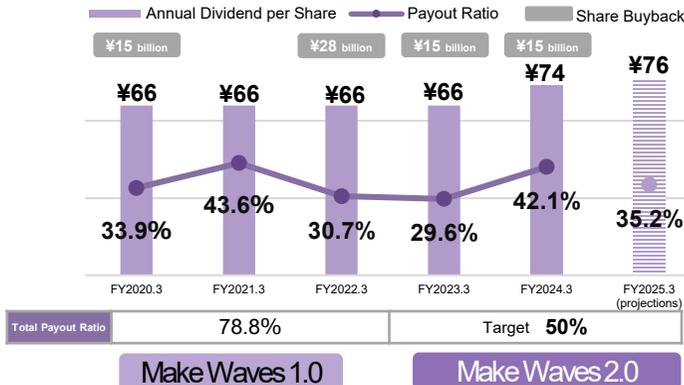
Make Waves 2.0

ROIC = Core operating profit after income taxes / (Equity attributable to owners of parent + Interest-bearing debt)

### <Evaluation of the current situations and policies for improvement>

Due to worsening revenue and profit, the ROE for the fiscal 2025 is forecast to be 6.8%, lower than the cost of shareholders' equity. We aim to achieve a ROE that exceeds the cost of shareholders' equity first by improving revenue and profit and steadily working to provide shareholder returns.

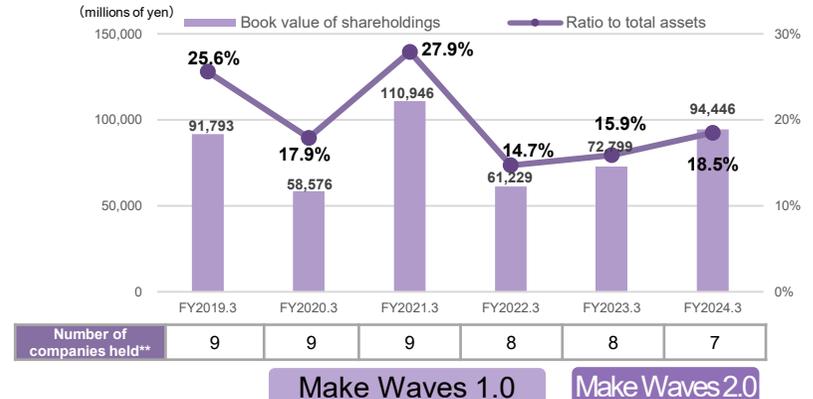
## Shareholder returns



Make Waves 1.0

Make Waves 2.0

## Cross-holdings



Make Waves 1.0

Make Waves 2.0

\*\* Listed companies excluding companies which the Company holds for the purpose of gathering information about information provision methods, etc., for shareholders. While Yamaha strives to reduce cross-shareholdings on a continuous basis, the book value of shareholdings on the balance sheet and its ratio to total assets increased in the fiscal year ended March 31, 2024 compared to the previous year due to the rise in stock prices.

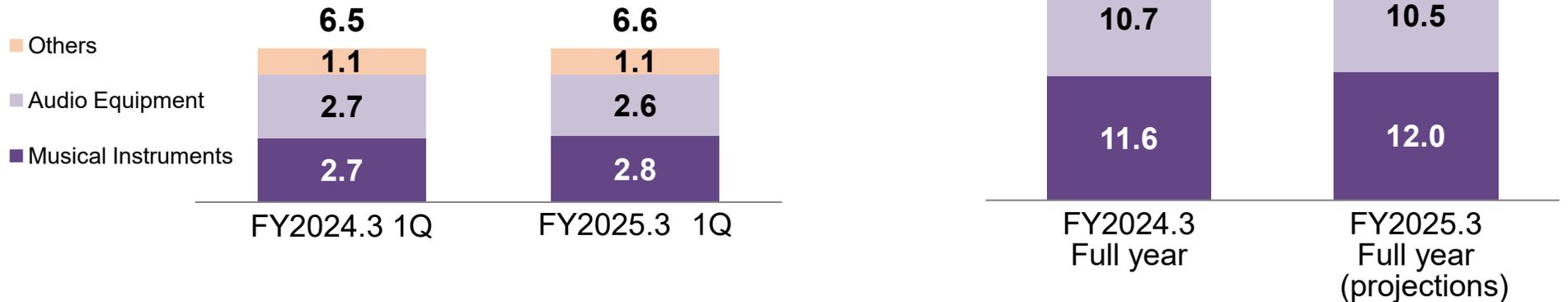
# Capital Expenditure/Depreciation and R&D Expenses

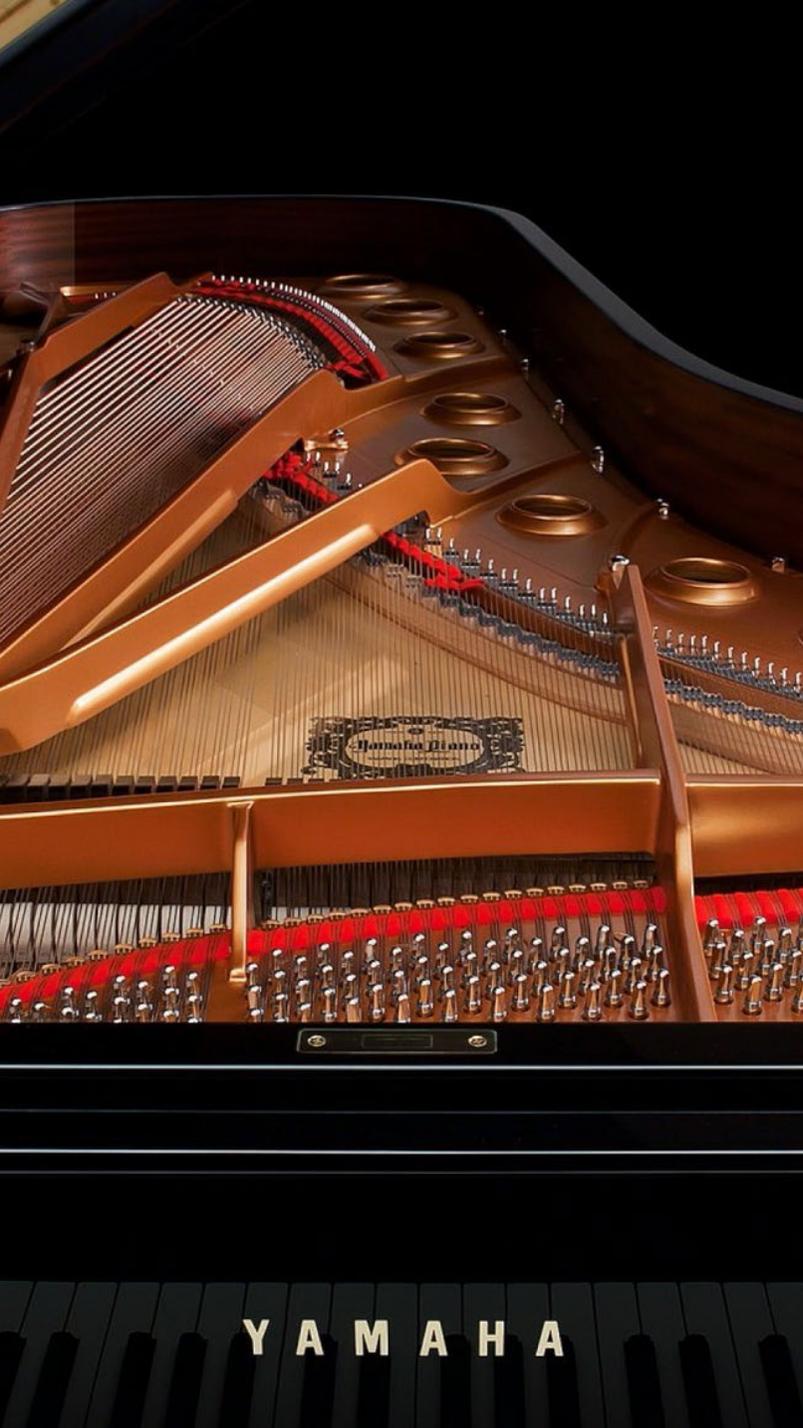
## Capital Expenditure/Depreciation

(billions of yen)



## R&D Expenses





## 4. Topics

Y A M A H A

# Medium-Term Management Plan Key Themes

## Further strengthen the business foundation

### Develop closer ties with customers

**Creating customer interactions that deliver an added experience value**

Hands-on brand store Yamaha Music Yokohama Minatomirai



[https://www.yamaha.com/ja/news\\_release/2024/24051501/](https://www.yamaha.com/ja/news_release/2024/24051501/)

(in Japanese only)

### Create new value

**Develop Products with Distinctive Individuality**

**Portable Keyboards**

**Digital piano**



EZ-310



PSR-E383



CLP-800 series

**Support the creative work of artists and creators**

Sponsorship agreement with OBS, provider of software for live streaming



[https://www.yamaha.com/en/news\\_release/2024/24062502/](https://www.yamaha.com/en/news_release/2024/24062502/)

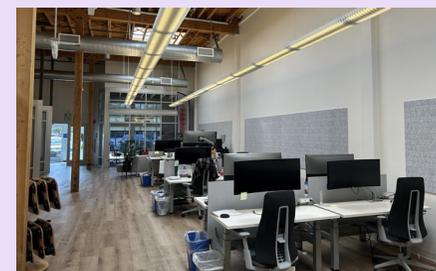
**Investment in U.S. venture capital**

Accumulate startup company search skill and strengthen business development capabilities through collaboration



**Yamaha Music Innovations established**

Accelerate global open innovation



New office in Silicon Valley

[https://www.yamaha.com/ja/news\\_release/2024/24060601/](https://www.yamaha.com/ja/news_release/2024/24060601/)

# Medium-Term Management Plan Key Themes

**Set sustainability as a source of value**

[Culture]

Expand market through the promotion and development of music culture

**Expand instrumental music education initiatives in emerging countries**

Colombian public elementary schools begin trial introduction of music education using recorders.



[https://www.yamaha.com/ja/news\\_release/2024/24061802/](https://www.yamaha.com/ja/news_release/2024/24061802/)

(in Japanese only)

**Enable Yamaha colleagues to be more valued, more engaged and more committed**

**Foster open organizational culture where people can proactively take on challenges**

**Two Indonesian manufacturing subsidiaries recognized as a "Great Place to Work"**



Yamaha Musical Products Indonesia



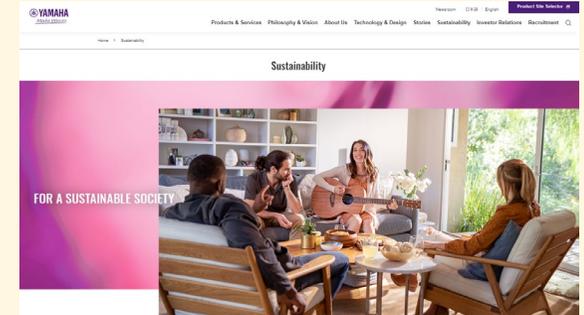
Yamaha Electronics Manufacturing Indonesia

<https://greatplacetowork.co.id/companies/pt-yamaha-musical-products-indonesia/>

<https://greatplacetowork.co.id/companies/pt-yamaha-electronics-manufacturing-indonesia/>

**Engagement tools published**

**Sustainability engagement**



Sustainability website

<https://www.yamaha.com/en/sustainability/>



Sustainability Report 2024

<https://www.yamaha.com/en/sustainability/download/>

(English version will be available in September 2024)

# Governance

## New management team

(Non-executive to chair the board and the compensation committee to become a wholly outside director structure)

### Expertise held by the Company's Directors



Director  
Takuya Nakata



**New** Director  
Atsushi Yamaura

Directors		Corporate management	Legal and risk management	Finance and accounting	IT and digital	Manufacturing, technology, and R&D	Marketing and sales	Global
Takuya Nakata	-	●			●	●	●	●
Atsushi Yamaura (New)	-	●			●	●		●
Yoshihiro Hidaka	Outside	●		●				●
Mikio Fujitsuka	Outside	●	●	●				●
Paul Candland	Outside	●			●		●	●
Hikomichi Shinohara	Outside	●			●	●		●
Naoko Yoshizawa	Outside	●			●	●		●
Naho Ebata	Outside		●					●



◆ Chairperson

◆ Chairperson

◆ Chairperson



Outside Director  
Yoshihiro Hidaka  
(President of Yamaha Motor Co., Ltd.)



Outside Director  
Mikio Fujitsuka  
(Outside Director of NSK Ltd.)



Outside Director  
Paul Candland  
(Managing Director of PMC Partners Co., Ltd.)



Outside Director  
Hiromichi Shinohara  
(Outside Director of Mizuho Financial Group, Inc.)



Outside Director  
Naoko Yoshizawa  
(Director of knowledge piece Inc.)



Outside Director  
Naho Ebata  
(Partner of Abe, Ikubo & Katayama Law Firm)

# Acquisition and Cancellation of Treasury Stock

## Acquisition of Treasury Stock

Type of shares acquired	Common shares of the Company
Number of shares acquired	4,604,500 shares
Amount of Acquisition	¥14,999,798,140
Acquisition period	February 7, 2024 to May 24, 2024 (Trade Base)
Acquisition method	Purchase on the Toyo Stock Exchange market

## Cancellation of Treasury Stock

Type of shares cancelled	Common shares of the Company
Number of treasury shares cancelled	6,300,000 shares (representing 3.36% of Company shares issued prior to the cancellation)
Date of cancellation	June 3, 2024

Note: After the cancellation of shares, the total number of shares issued were 181,000,000.

# Stock Split, Dividend Forecast, and Shareholder Benefits

## Stock Split

### <Purpose>

The purpose is to expand the investor base by reducing the Company's stock price per investment unit.

### <Outline of the split>

Method: Each share of common stock to be split into 3 shares

Record date: September 30, 2024

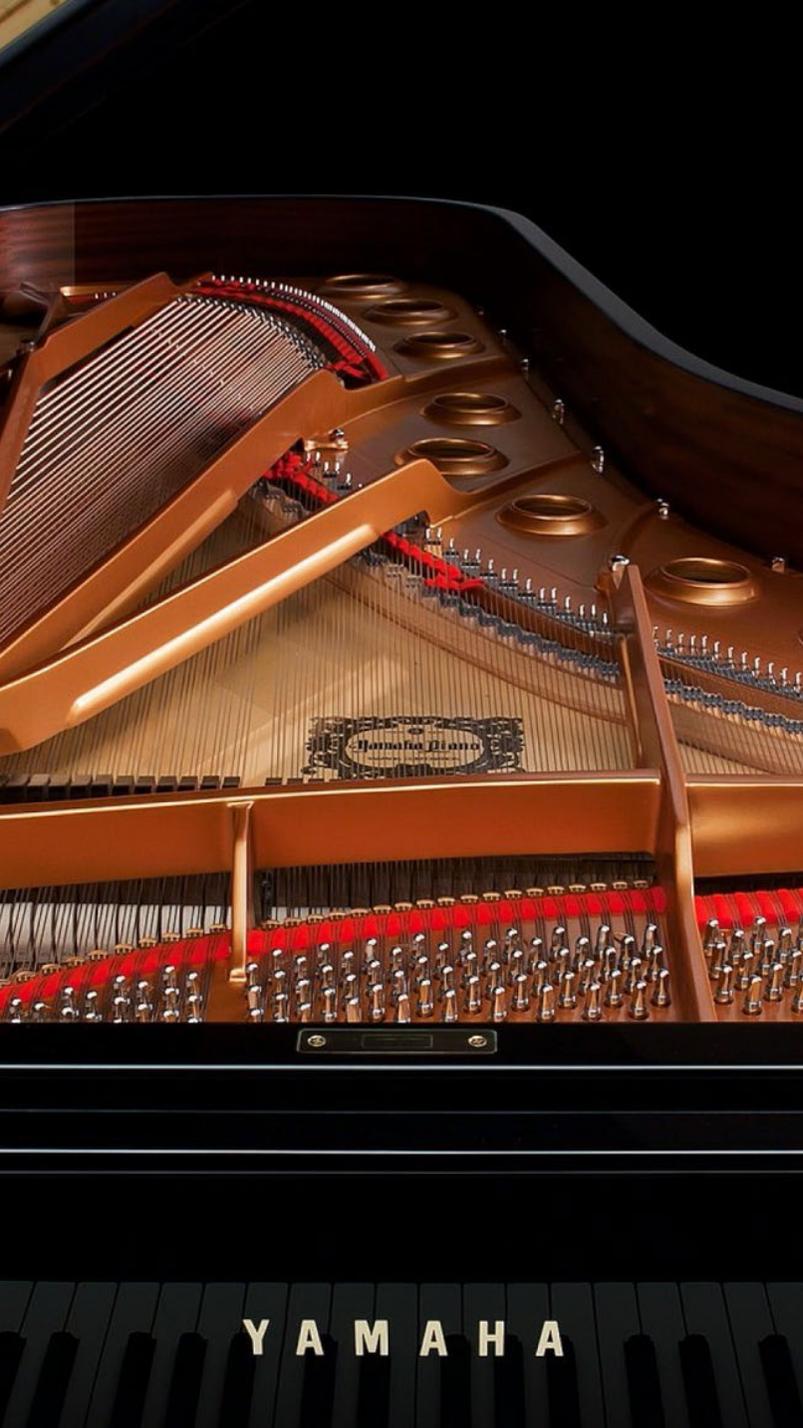
Effective date: October 1, 2024

## Dividend Forecast (revised)

Base date	Dividend per share (yen)		
	End of 2Q	Year-end	Full year
Previous projections (announced on May 8, 2024)	¥37	¥37	¥74
Revised projections (pre-split conversion)	¥37 (-)	¥13 (¥39)	- (¥76)
Previous fiscal year (FY2024.3)	¥37	¥37	¥74

## Shareholder Benefits

From the viewpoint of fair return of profits to shareholders, Yamaha will concentrate on returning profits to shareholders through dividends, etc., and withdraw from the shareholder special benefit plan.



# Appendix

# 1Q Other Income and Expenses

(billions of yen)

		FY2024.3 1Q <sup>*2</sup>	FY2025.3 1Q
<b>Core Operating Profit</b>		<b>6.5</b>	<b>9.2</b>
<b>Other Income and Expenses</b>	Profit from (loss on) disposal of fixed assets	0	0
	Others	0.1	-0.1
	<b>Total</b>	<b>0.1</b>	<b>-0.1</b>
<b>Operating Profit</b>		<b>6.6</b>	<b>9.2</b>
<b>Financial Income and Expenses</b>	Dividends income	0.4	0.3
	Others	2.8	3.9
	<b>Total</b>	<b>3.2</b>	<b>4.2</b>
<b>Profit before Income Taxes</b>		<b>9.8</b>	<b>13.4</b>
Income taxes		-3.3	-4.0
Net profit attributable to non-controlling interests		0	0
<b>Net Profit<sup>*1</sup></b>		<b>6.5</b>	<b>9.4</b>

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

\*2 Figures for the previous fiscal year (FY2024.3) have been retroactively adjusted to reflect the finalization of the provisional accounting treatment of the acquisition of Cordoba Music Group, LLC.

# Full Year Other Income and Expense

(billions of yen)

		FY2024.3 Full year	FY2025.3 Full year (projections)
<b>Core Operating Profit</b>		<b>33.7</b>	<b>46.0</b>
<b>Other Income and Expenses</b>	Profit from (loss on) disposal of fixed assets	-0	-0.3
	Others	-4.6	-1.2
	<b>Total</b>	<b>-4.7</b>	<b>-1.5</b>
<b>Operating Profit</b>		<b>29.0</b>	<b>44.5</b>
<b>Financial Income and Expenses</b>	Dividends income	3.0	3.3
	Others	5.7	0.7
	<b>Total</b>	<b>8.6</b>	<b>4.0</b>
<b>Profit before Income Taxes</b>		<b>37.6</b>	<b>48.5</b>
Income taxes		-7.9	-12.9
Net profit attributable to non-controlling interests		-0.1	-0.1
<b>Net Profit <sup>*1</sup></b>		<b>29.6</b>	<b>35.5</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.**