



Analyst and Investor Briefing on Second Quarter of FY2025.3

(Fiscal year ending March 31, 2025)



November 1, 2024

Yamaha Corporation

FY2025.3 1H Highlights

Overview

FY2025.3 1H Achievements

- Revenue declined year-on-year in real terms due to continued sluggish musical instrument market conditions in China, despite the strong performance of B2B audio equipment and impact of yen depreciation.
- Core operating profit increased mainly due to major increase in audio equipment and foreign exchange impact, while musical instrument profit decreased.
- Posted an impairment loss of ¥7.8 billion for piano production facilities in China and Indonesia.

Outlook

Full Year Forecasts for FY2025.3

- Revenue and profit revised downward to reflect the expected further slowdown in Chinese market.
- Forecast for year-end dividend per share remains unchanged at ¥13.*

*Yamaha carried out a three-for-one stock split with an effective date of October 1, 2024. Pre-split year-end dividend is forecast to be ¥39 and ¥76 for the annual dividend.



1. Performance Summary

FY2025.3 1H (Six Months) Summary

(billions of yen)

	FY2024.3 1H	FY2025.3 1H	Change (YoY)	
Revenue	219.6	228.1	8.5	^{*2} +3.9%
Core Operating Profit (Core Operating Profit Ratio)	15.3 (7.0%)	20.4 (9.0%)	5.1	+33.3%
Net Profit ^{*1}	14.9	5.3	-9.7	-64.8%

Exchange Rate (yen)

Revenue (Average rate during the period)	US\$	141	153
	EUR	153	166
Profit (Settlement rate)	US\$	140	154
	EUR	143	166

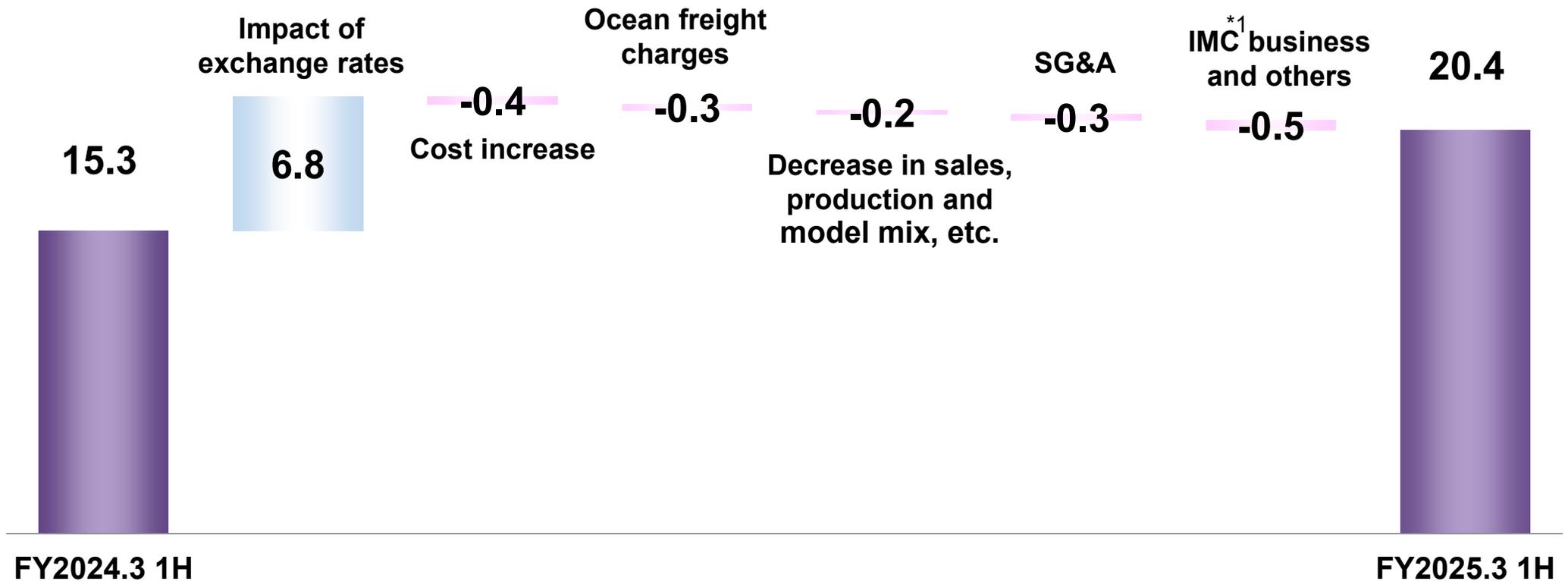
^{*2} **-1.8%**
(Excluding the impact of exchange rate)

*1 Net profit is presented as net profit attributable to owners of 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)

		FY2024.3 1H	FY2025.3 1H	Change	Exchange rate impact
Musical Instruments	Revenue	148.2	145.2	-3.0	7.9
	Core Operating Profit	13.0	10.6	-2.4	4.3
	Core Operating Profit Ratio	8.8%	7.3%	-1.5P	
Audio Equipment	Revenue	52.7	64.0	11.3	3.5
	Core Operating Profit	0.7	8.2	7.5	1.9
	Core Operating Profit Ratio	1.2%	12.8%	+11.5P	
IMC^{*1} Business and Others	Revenue	18.7	18.9	0.2	1.1
	Core Operating Profit	1.7	1.7	0	0.5
	Core Operating Profit Ratio	8.9%	9.0%	+0.1P	

*1 Industrial Machinery and Components

FY2025.3 Outlook

(billions of yen)

		FY2024.3 Full year	FY2025.3 Full year (previous projections)	FY2025.3 Full year (projections)	Change	Change from the previous projections
Revenue		462.9	475.0	460.0	-2.9 ^{*2}	-15.0
Core Operating Profit (Core Operating Profit Ratio)		33.7 (7.3%)	46.0 (9.7%)	37.0 (8.0%)	3.3	-9.0
Net Profit ^{*1}		29.6	35.5	18.0	-11.6	-17.5
					^{*2} -2.6%	(Excluding the impact of exchange rate)
Exchange Rate (yen)					Currency sensitivity per JPY1	
Revenue (Average rate during the period)	US\$	145	151	149	JPY 930 million	
	EUR	157	162	163	JPY 650 million	
Profit (Settlement rate)	US\$	144	151	150	JPY 110 million	
	EUR	146	162	164	JPY 390 million	

* 2H currency exchange rates
US\$=145JPY, EUR=160JPY

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

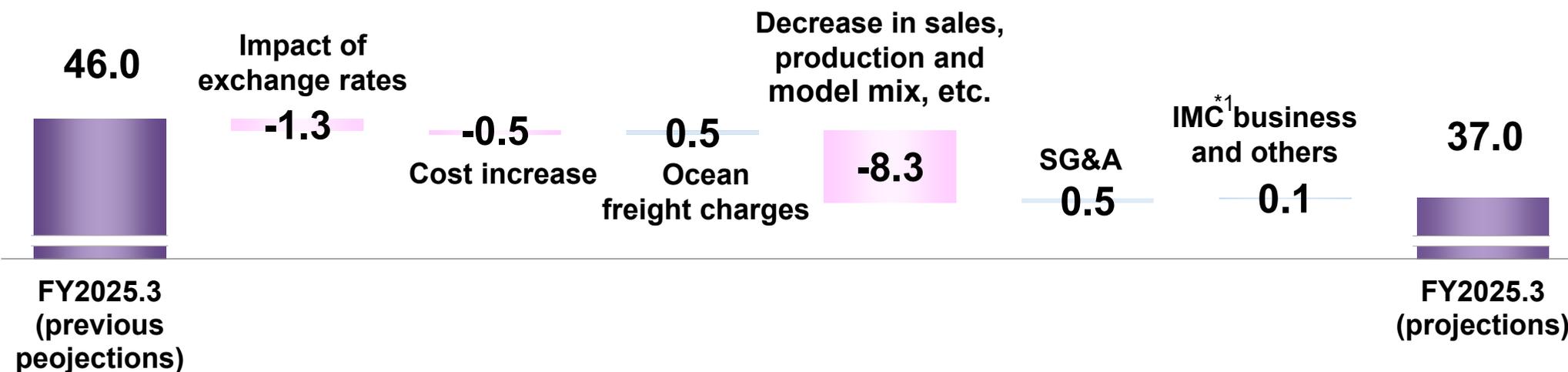
Core Operating Profit Analysis

Versus previous year

(billions of yen)



Versus previous projections



*1 Industrial Machinery and Components

Outlook by Business Segment

(billions of yen)

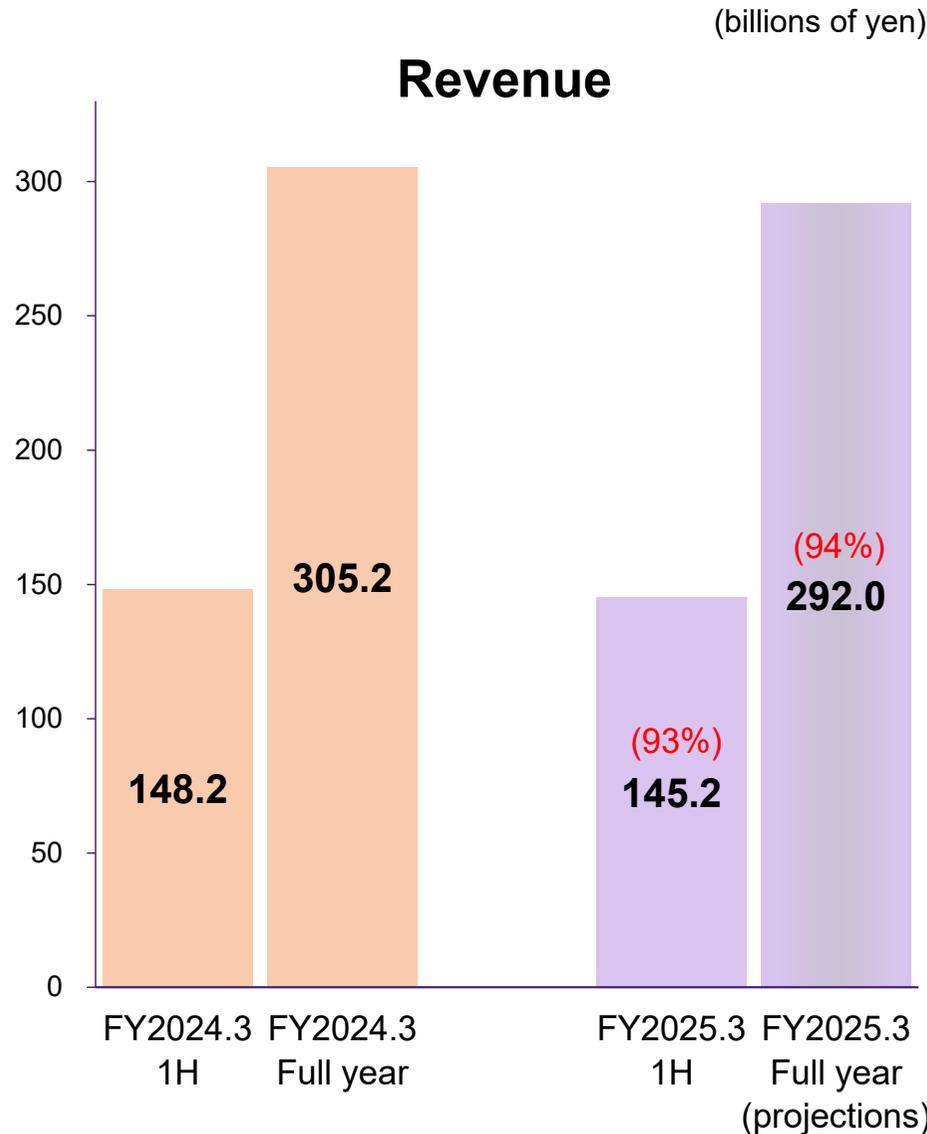
		FY2024.3 Full year	FY2025.3 Full year (projections)	Change	Exchange rate impact
Musical Instruments	Revenue	305.2	292.0	-13.2	5.8
	Core Operating Profit	25.3	21.0	-4.3	5.4
	Core Operating Profit Ratio	8.3%	7.2%	-1.1P	
Audio Equipment	Revenue	121.1	129.0	7.9	2.7
	Core Operating Profit	6.4	13.0	6.6	2.2
	Core Operating Profit Ratio	5.3%	10.1%	+4.8P	
IMC^{*1} Business and Others	Revenue	36.6	39.0	2.4	0.9
	Core Operating Profit	1.9	3.0	1.1	0.4
	Core Operating Profit Ratio	5.3%	7.7%	+2.4P	

*1 Industrial Machinery and Components



2. Segment Overview & Updates

Segment Revenue and Core Operating Profit



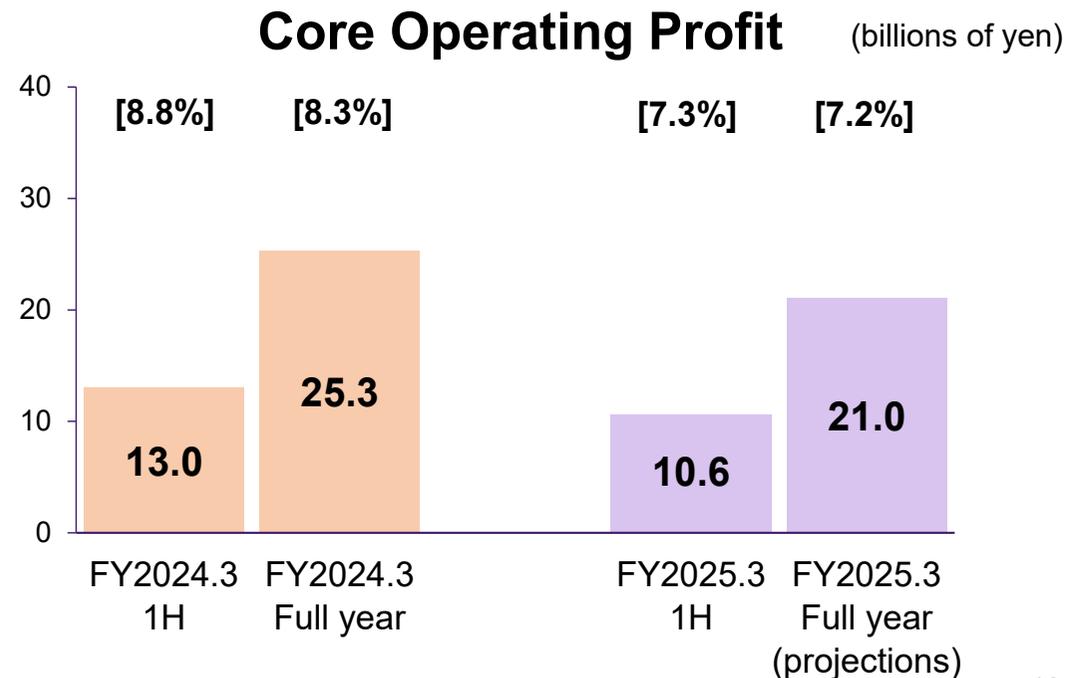
1H overview: Revenue declined, primarily due to continued sluggish Chinese market

- Piano sales decreased due to continued market slowdown in China. Sales of digital musical instruments also declined amid weak Chinese market. Sales of wind, strings, and percussion instruments remained flat as financial subsidies in the U.S. expired. Sales of guitars decreased despite steady growth in Japan and China, as conditions in other markets remained sluggish.

Full Year Projections: Overall revenue projected to decline due to further market slowdown in China.

- Piano sales are projected to decrease due to prolonging stagnation of market mainly in China. Digital musical instrument market share is forecast to recover and sales are expected to remain flat year on year despite difficult market situation. Sales of wind, strings, and percussion instruments are projected to decrease as financial subsidies in the U.S. expired, and guitars forecast higher revenue on firm electric guitar demand.

(Comments are on local currency basis)



Figures in [] indicate core operating profit ratio

Red figures show actual YoY changes discounting impact of exchange rates

Revenue by Major Product Category

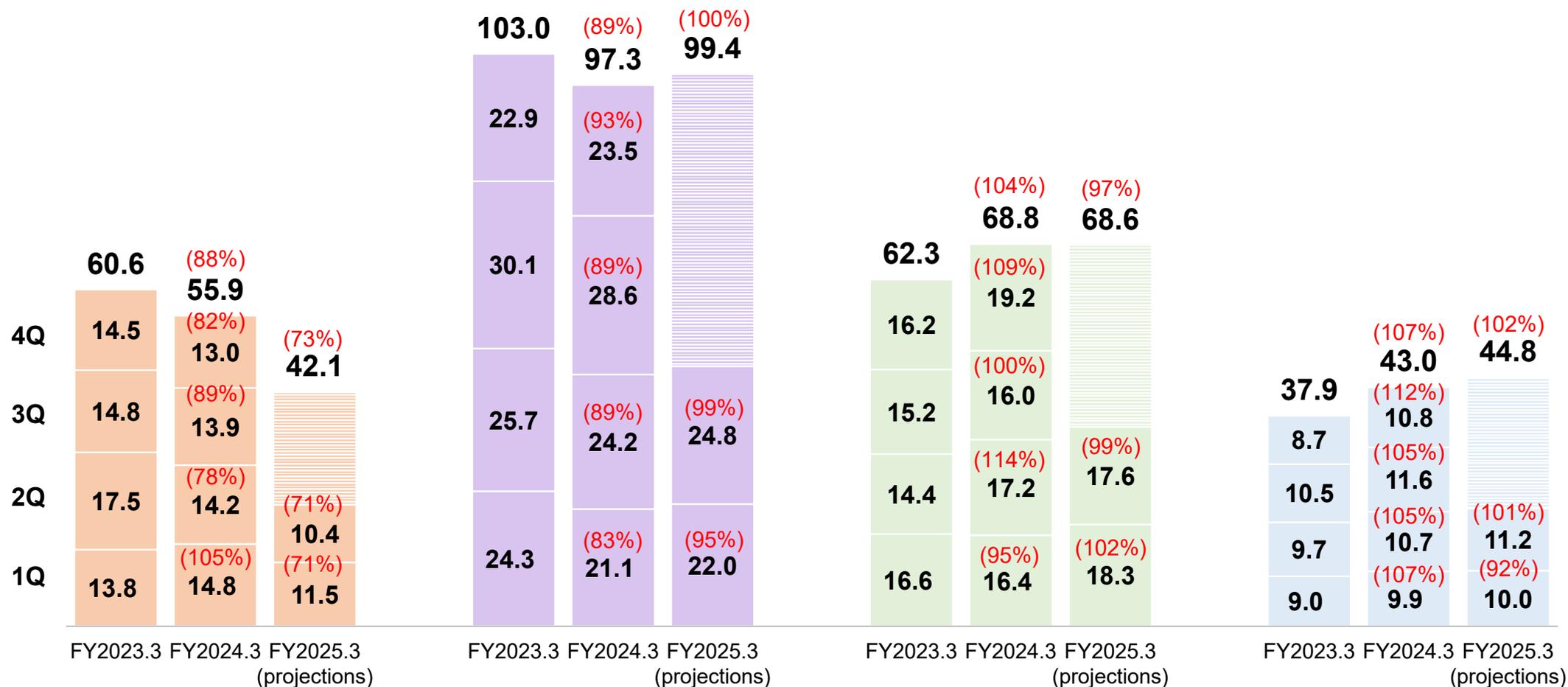
(billions of yen)

Pianos

Digital Musical Instruments

Winds, Strings /Percussion

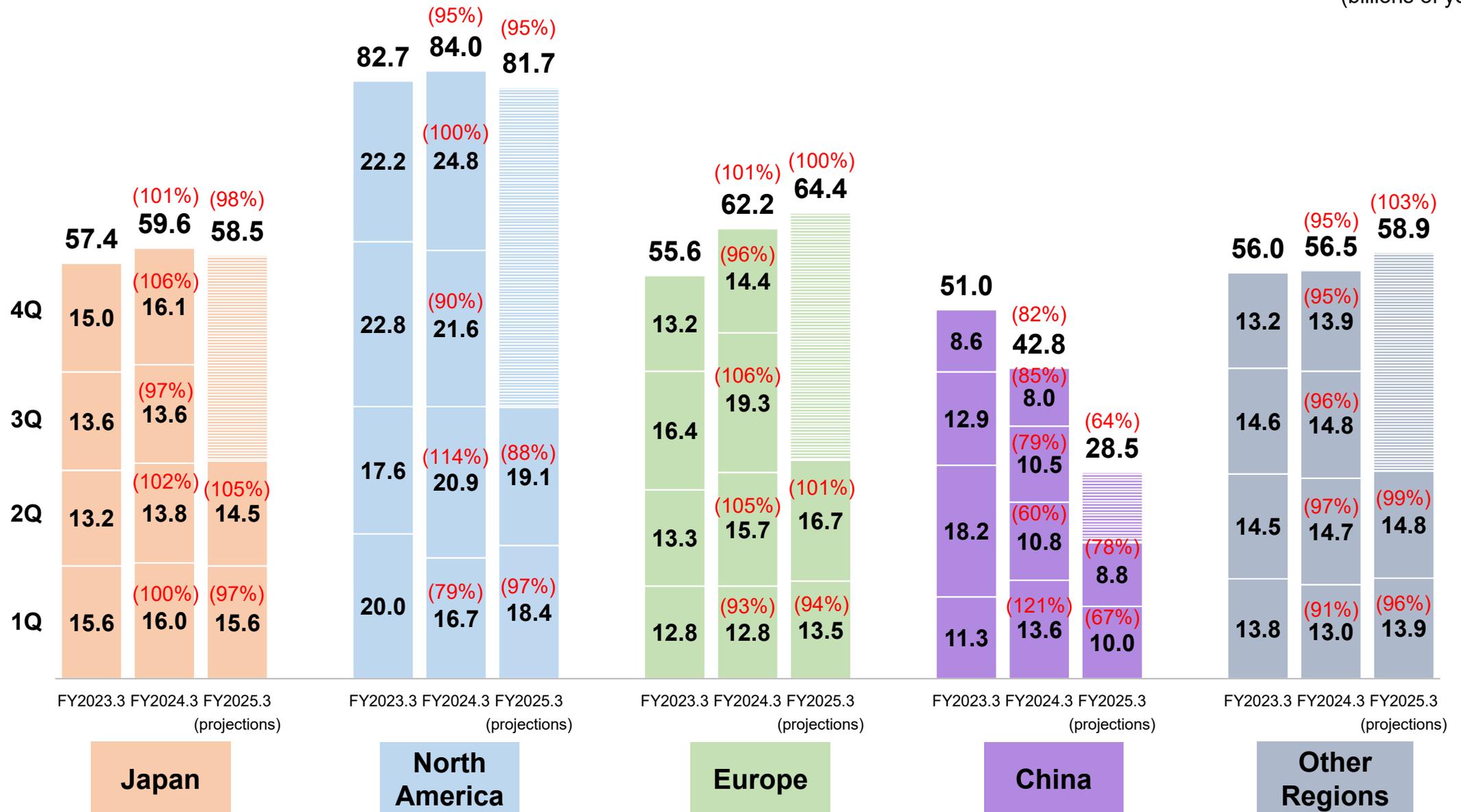
Guitars



Red figures show actual YoY changes discounting impact of exchange rates

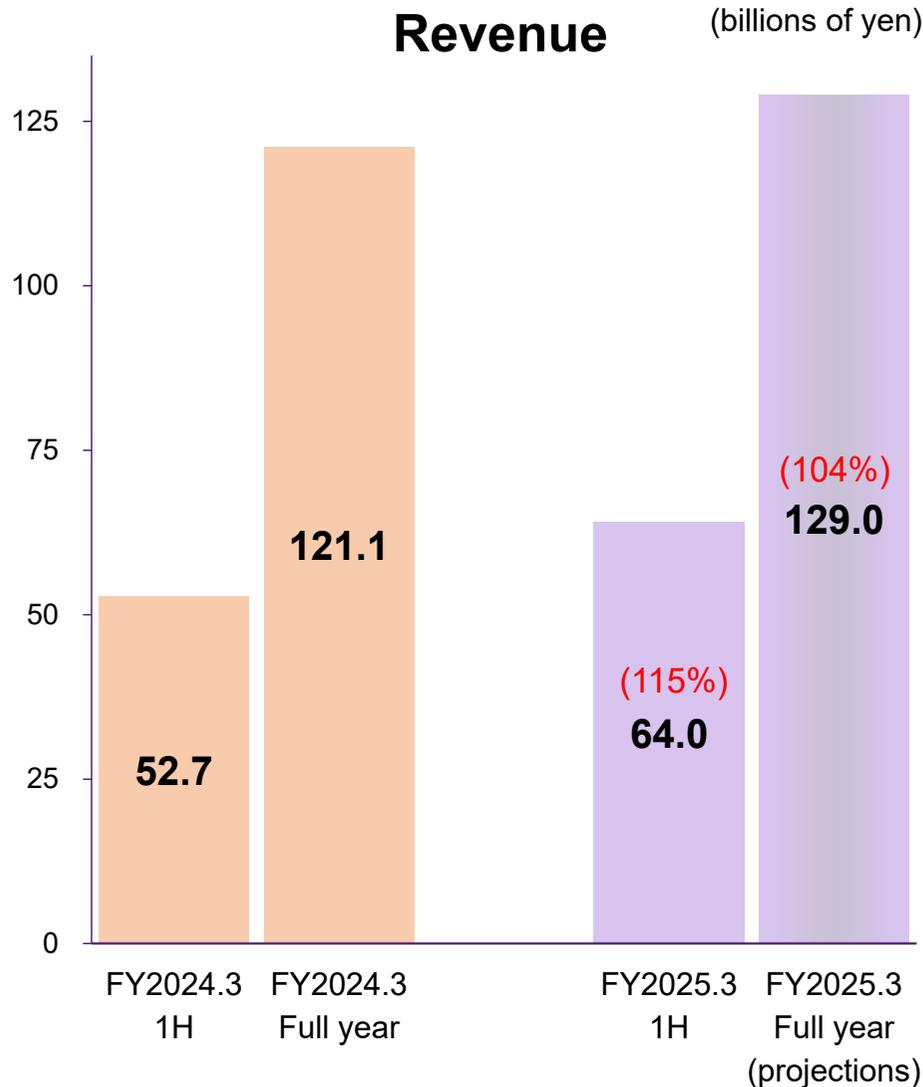
Revenue by Region

(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



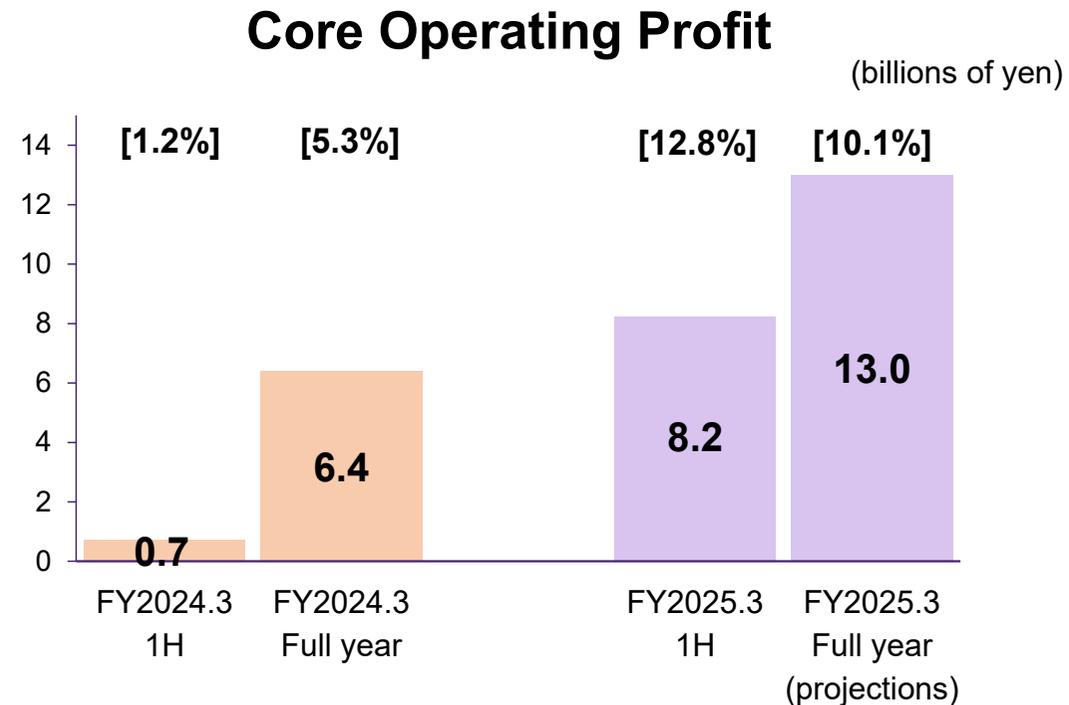
1H overview: Revenue increased due to strong B2B product sales

- Consumer product sales declined due to shrinking home audio business despite strong sales of music production software.
- 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 product sales are projected to decline due to shrinking home audio business despite strong sales of music production software.
- B2B product sales are projected to increase significantly due to continued robust demand.

(Comments are on local currency basis)

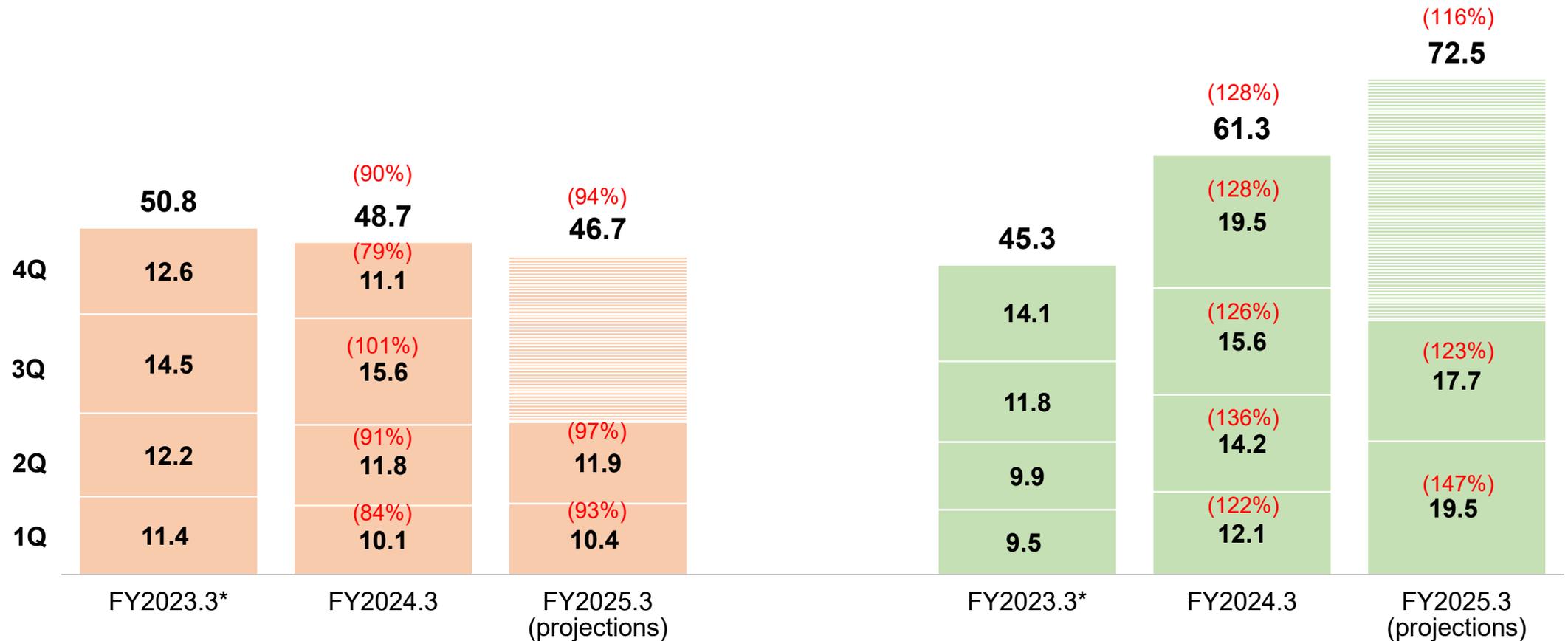


Revenue by Major Product Category

(billions of yen)

Consumer Products

B2B Products

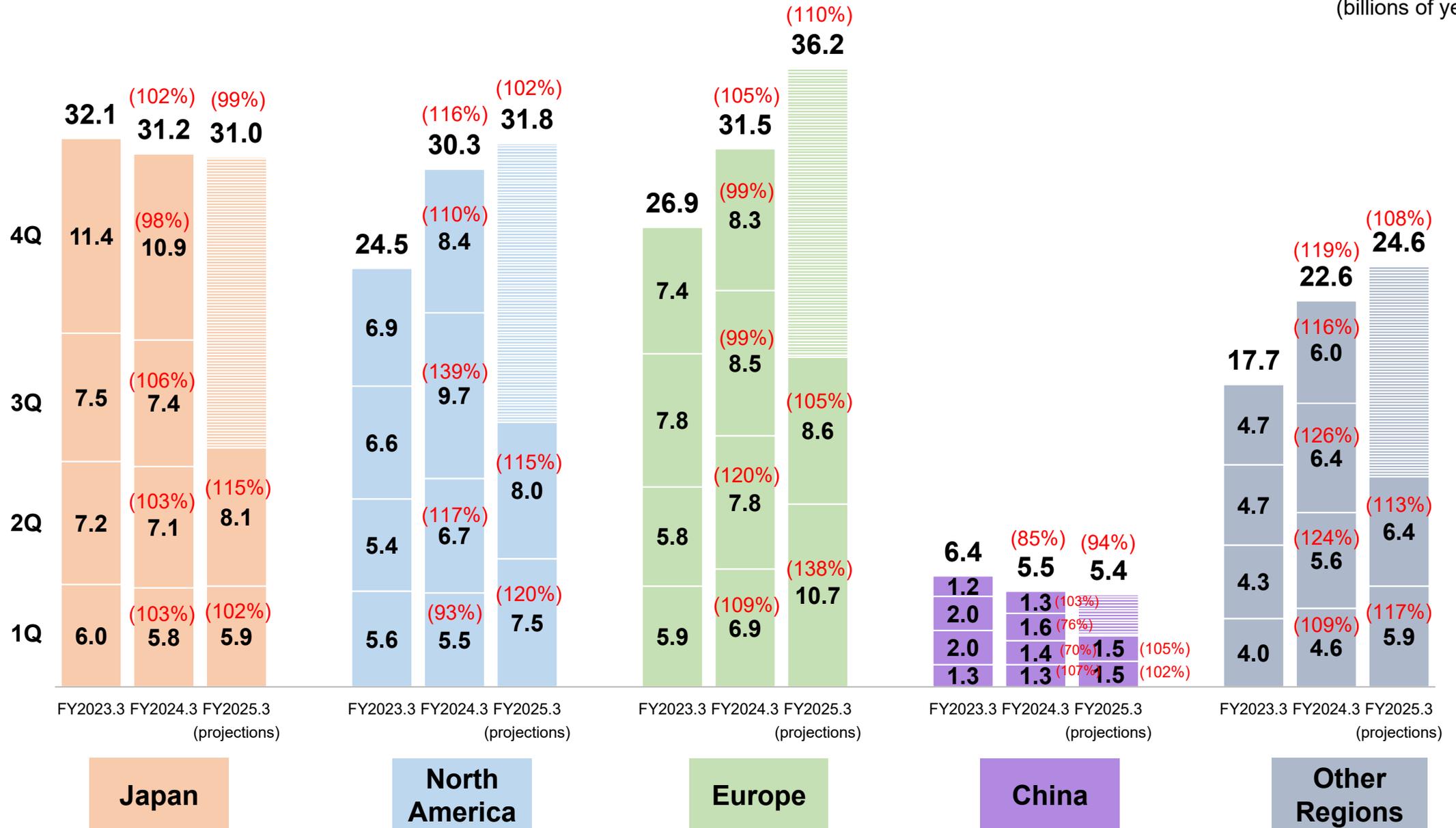


*FY2023.3 figures have been adjusted to reflect the segment change from FY2024.3

Red figures show actual YoY changes discounting impact of exchange rates

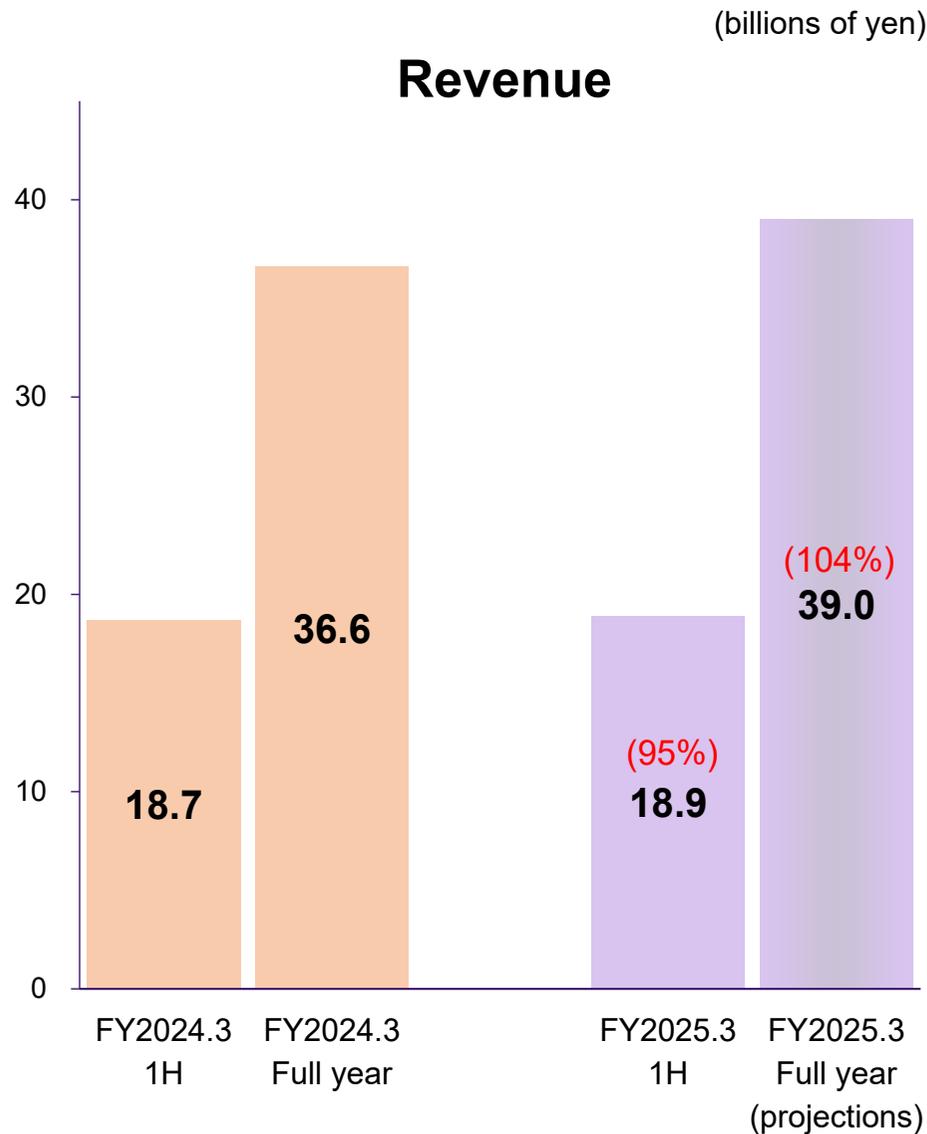
Revenue by Region

(billions of yen)



Red figures show actual YoY changes discounting impact of exchange rates

Segment Revenue and Core Operating Profit



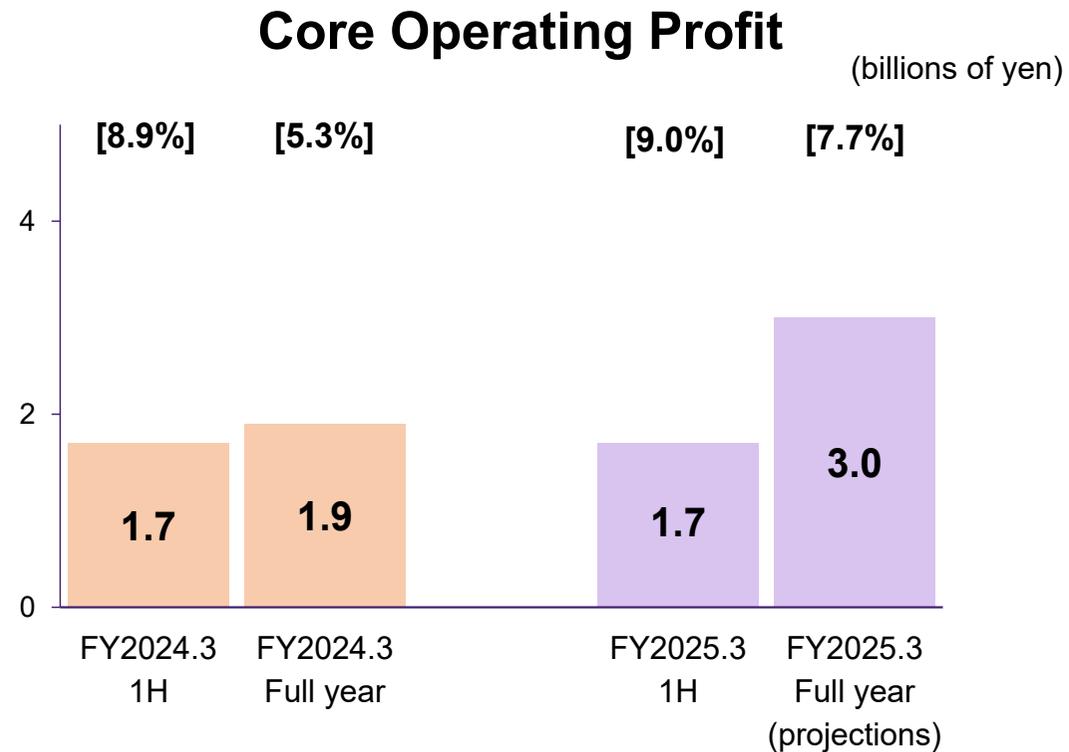
1H overview:

- 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)





3. Other Financial Figures

Balance Sheet Summary

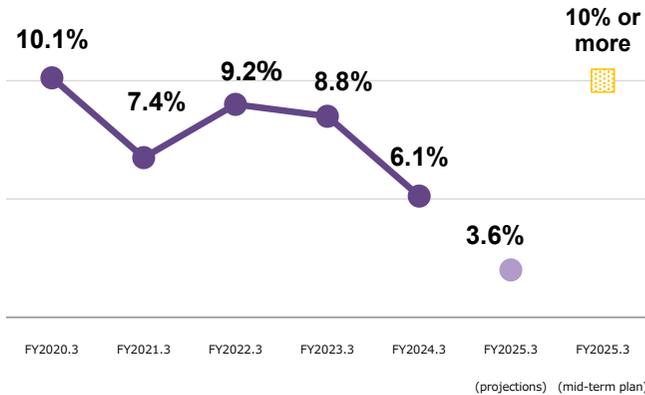
(billions of yen)

	As of March 31, 2024	As of Sept. 30, 2024	Change	As of March 31, 2025 (projections)
Cash and cash equivalents	101.6	117.2	15.6	131.5
Trade and other receivables	88.0	77.4	-10.6	80.5
Other financial assets	4.9	4.9	0	5.0
Inventories	164.1	163.7	-0.4	140.0
Other current assets	10.7	8.9	-1.8	11.0
Non-current assets	2,97.5	250.5	-47.0	254.0
Total Assets	6,66.8	622.6	-44.2	622.0
Current liabilities	105.7	1,01.9	-3.8	103.7
Non-current liabilities	49.3	35.6	-13.7	38.5
Total equity	511.8	485.1	-26.7	479.8
Total liabilities and equity	666.8	622.6	-44.2	622.0

ROE, ROIC and Shareholder Returns

ROE FY2025.3 forecast 3.6%

(Cost of shareholders' equity* 7.3%)



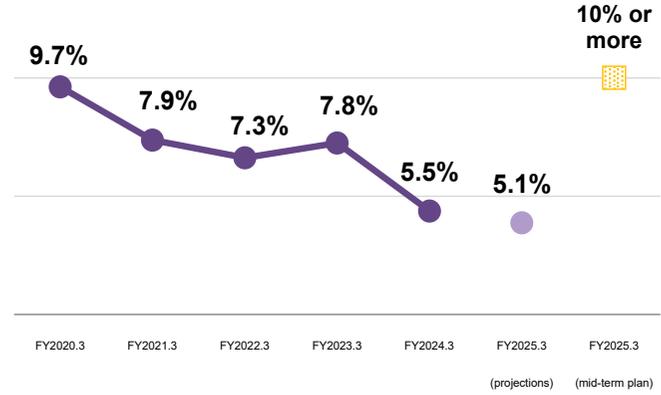
Make Waves 1.0

Make Waves 2.0

* calculated with CAPM (Capital Asset Pricing Model)

ROIC FY2025.3 forecast 5.1%

(WACC 7.3%)



Make Waves 1.0

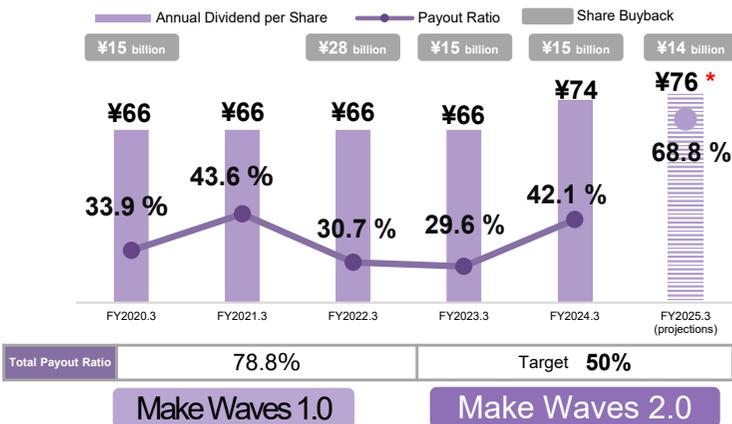
Make Waves 2.0

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>

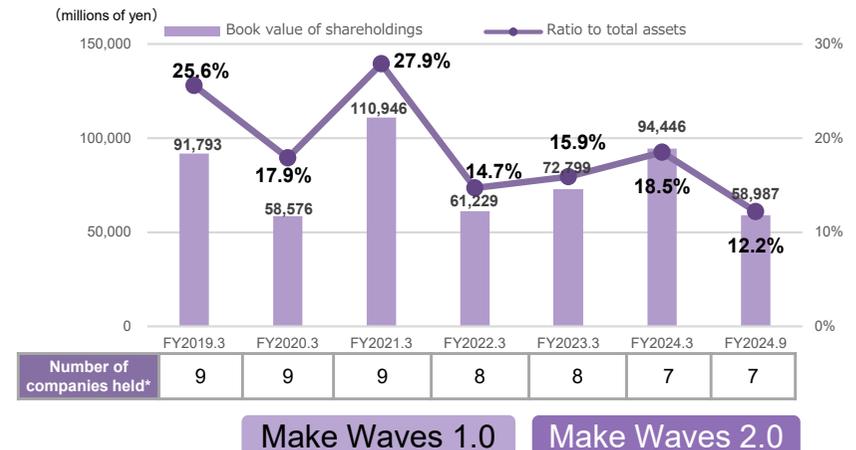
Due to worsening revenue and profit, the ROE for the fiscal 2025 is forecast to be 3.6%, lower than the cost of shareholders' equity. We aim to achieve a ROE that exceeds the cost of shareholders' equity first by improving revenue and profit and steadily working to provide shareholder returns.

Shareholder returns



*Yamaha carried out a three-for-one stock split with an effective date of October 1, 2024. Following the stock split, the year-end dividend per share for FY2025.3 is forecast to be ¥13. The above graph shows the pre-split dividend per share, which, combined with the interim dividend of ¥37 per share, consist of year-end dividend of ¥39 per share and ¥76 for the total annual dividend.

Cross-holdings



* Listed companies excluding companies which the Company holds for the purpose of gathering information about information provision methods, etc., for shareholders

Sale of a Portion of Yamaha Motor Shares and Acquisition of Treasury Stock

Sale of a Portion of Yamaha Motor Shares

Shares sold: 18,000,000 shares

(% of outstanding shares: 1.71%)

Shares held prior to the sale: 46,928,370 shares (4.47%)

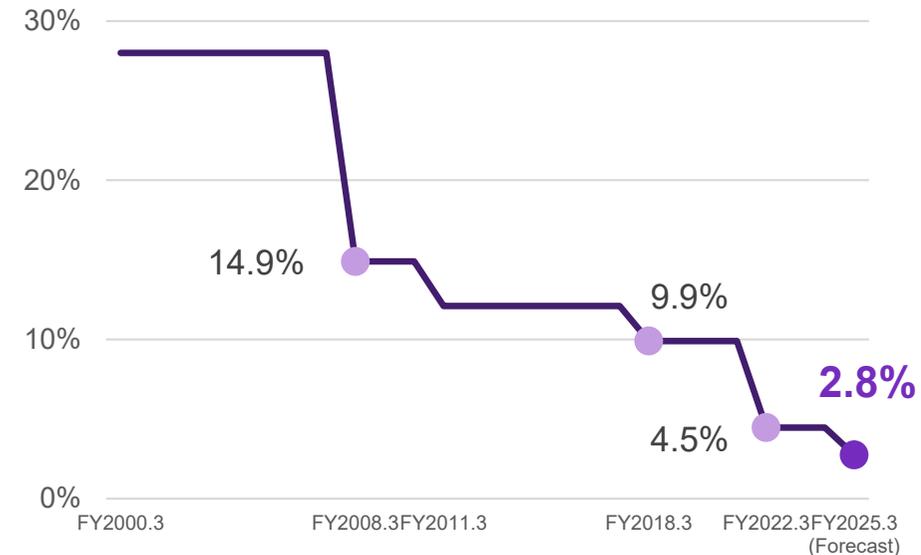
Shares held after the sale: 28,928,370 shares (2.75%)

Total sales price: ¥21,527 million (¥1,195.98 per share)

Date of delivery: September 9, 2024

Gain on sales of investment securities: ¥20,467 million

Percentage of shares held by Yamaha Corporation to outstanding shares of Yamaha Motor Corporation



Acquisition of Treasury Stock

Type of shares to be acquired: Common stock of the Company

Shares to be acquired: 18,000,000 shares* (maximum) (representing 3.7% of outstanding shares excluding treasury shares)

Amount of acquisition: ¥14.0 billion (maximum)

Acquisition period: September 10, 2024 to February 28, 2025 (trade base)

Acquisition method: Purchase on the Tokyo Stock Exchange market

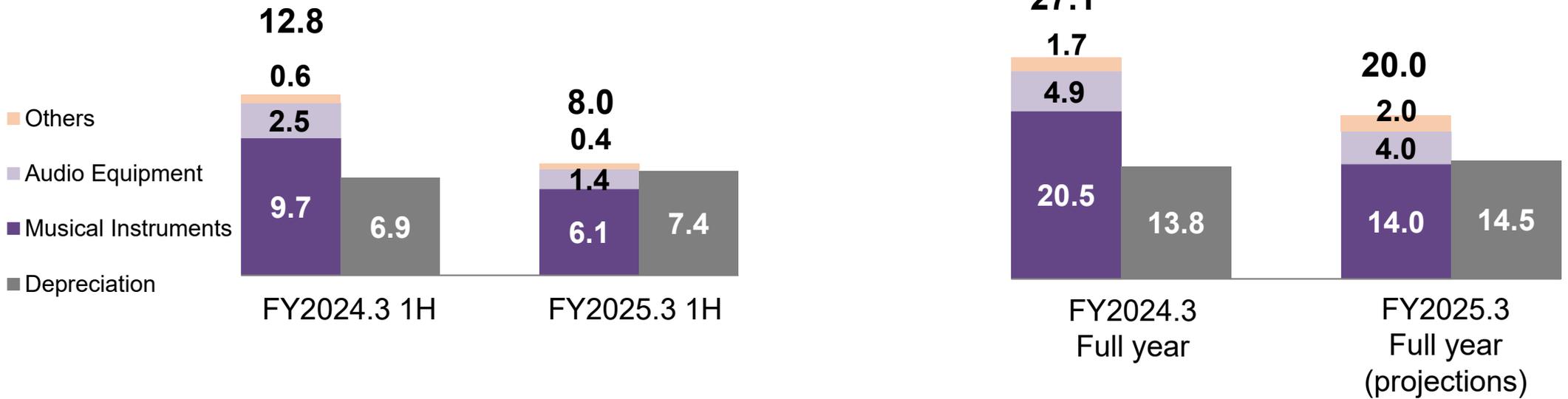
*Converted to the shares after the stock split. The shares before the stock split was 6,000,000 shares.

The Company plans to **cancel all the treasury shares** purchased in this acquisition.

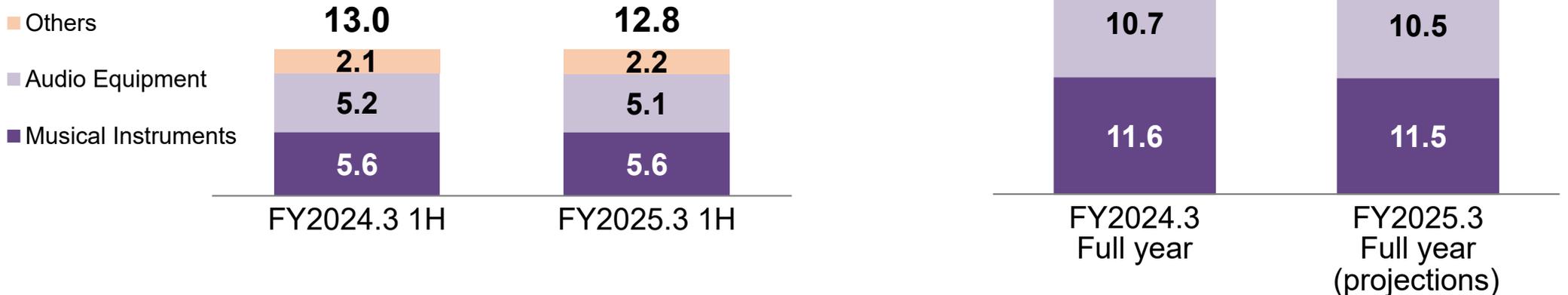
Capital Expenditure/Depreciation, R&D Expense

Capital Expenditure/Depreciation

(billions of yen)



R&D Expenses





4. Topics

Priority Themes of Make Waves 2.0 (1)

Further strengthen the business foundation

Develop closer ties with customers

Expand business domain

Yamaha brand audio system installed in Mitsubishi Motors' new Outlander



Courtesy of Mitsubishi Motors Corporation

https://www.yamaha.com/ja/news_release/2024/24100901/

(in Japanese only)

Create new value

Develop Products with Distinctive Individuality

TransAcoustic Guitar

Digital Saxophone



TAG3 C



YDS-128C
(China exclusive model)

Create new customer experiences with Yamaha's sound and music technologies

Yamaha's elemental technologies cultivated over many years are now available through the Yamaha Music Connect API.



YAMAHA MUSIC CONNECT API

<https://www.yamaha.com/en/about/business/music-connect/apis/>

https://www.yamaha.com/ja/news_release/2024/24100701/ (in Japanese only)

Accelerate external collaboration from a Silicon Valley site

Collaboration with a U.S. TuneForte

TuneForte



Introducing TuneCamera, a service for musicians using AI technology, to Yamaha Music London

https://www.yamaha.com/en/news_release/2024/24083001/

Collaboration with a U.S. Audiomack



audiomack

Collaboration in promoting the African market and development of musical instruments and music contents by utilizing music distribution service to 100 million members in the African market

https://www.yamaha.com/en/news_release/2024/24103001/

Priority Themes of Make Waves 2.0 (2)

Set sustainability as a source of value

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

[Social]

Enhance brand and competitiveness by contributing to comfortable lives

Aiming to achieve universal design for sound to help solve challenges faced by public institutions

Announcement in your language service to be introduced at all 171 Tokyo Metro stations



おもてなしガイド for Biz

powered by SoundUD



Multilingual text display service for smart phones for announcements at train stations

https://www.yamaha.com/ja/news_release/2024/24103102/

(in Japanese only)

[Culture]

Expand market through the promotion and development of music culture

Expand instrumental music education initiatives in emerging countries



The project to support the introduction of Japanese-style music education in India and Kenya was selected by the Ministry of Education, Culture, Sports, Science and Technology (MEXT) for Edu-Port Nippon Support Project.



Students working on their first recorder lesson in India

https://www.yamaha.com/ja/news_release/2024/24082801/

(in Japanese only)

Foster open organizational culture where people can proactively take on challenges

Deepening bonds and fostering a sense of unity among Yamaha affiliates around the world

Yamaha Day, a day to reflect on the Yamaha brand, a global in-house event held in real and online



Yamaha Awards 2024 presidential award grand prix and winners

Promoting the creation of a workplace environment where people can work enthusiastically

Participated in Health Management Alliance



健康経営アライアンス

https://www.yamaha.com/ja/news_release/2024/24091701/

(in Japanese only)



Appendix

Performance in 2Q FY2025.3 (Three Months)

(billions of yen)

	FY2024.3 2Q	FY2025.3 2Q	Change	
Revenue	113.4	116.0	2.6	+2.3% ^{*2}
Core Operating Profit (Core Operating Profit Ratio)	8.8 (7.8%)	11.2 (9.6%)	2.4	+27.2%
Net Profit ^{*1}	8.5	-4.2	-12.6	-149.1%

Exchange Rate (yen)			
Revenue (Average rate during the period)	US\$	145	150
	EUR	157	164
Profit (Settlement rate)	US\$	144	153
	EUR	145	166

^{*2}
-0.5 %
(Excluding the impact of exchange rate)

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

Performance by Business Segment in 2Q FY2025.3 (Three Months)

(billions of yen)

		FY2024.3 2Q	FY2025.3 2Q	Change	Exchange rate impact
Musical Instruments	Revenue	76.0	73.8	-2.2	2.1
	Core Operating Profit	8.3	6.4	-1.9	1.9
	Core Operating Profit Ratio	10.9%	8.6%	-2.2P	
Audio Equipment	Revenue	28.5	32.5	4.0	0.7
	Core Operating Profit	0.6	4.2	3.7	0.7
	Core Operating Profit Ratio	1.9%	12.9%	+ 11.0P	
^{*1} IMC Business and Others	Revenue	8.9	9.7	0.8	0.3
	Core Operating Profit	-0	0.6	0.6	0.1
	Core Operating Profit Ratio	-0.4%	6.2%	+ 6.6P	

1H Other Income and Expenses (Six Months)

(billions of yen)

		FY2024.3 1H	FY2025.3 1H
Core Operating Profit		15.3	20.4
Other Income and Expenses	Profit from (loss on) disposal of fixed assets	-0	-0
	Others	0.1	-8.4
	Total	0.1	-8.5
Operating Profit		15.4	12.0
Financial Income and Expenses	Dividends income	1.6	1.5
	Others	4.7	-4.4
	Total	6.3	-2.9
Profit before Income Taxes		21.7	9.1
Income taxes		-6.7	-3.8
Net profit attributable to non-controlling interests		0	0
Net Profit ^{*1}		14.9	5.3

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

Full Year Other Income and Expenses

(billions of yen)

		FY2024.3 Full year	FY2025.3 Full year (projections)
Core Operating Profit		33.7	37.0
Other Income and Expenses	Profit from (loss on) disposal of fixed assets	-0	-0.3
	Others	-4.6	-9.7
	Total	-4.7	-10.0
Operating Profit		29.0	27.0
Financial Income and Expenses	Dividends income	3.0	2.5
	Others	5.7	-3.0
	Total	8.6	-0.5
Profit before Income Taxes		37.6	26.5
Income taxes		-7.9	-8.4
Net profit attributable to non-controlling interests		-0.1	-0.1
Net Profit ^{*1}		29.6	18.0

*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.