

Analyst and Investor Briefing on First Quarter of FY2026.3

(Fiscal year ending March 31, 2026)

August 1, 2025

Yamaha Corporation

Hello, everyone. I am Nishimura.
 I will now explain the financial results for the first quarter of the fiscal year ending March 2026.

FY2026.3 1Q Highlights

Overview

Achievements of first quarter of FY2026.3 (three months)

- Revenue decreased due to the slowdown in sales of audio equipment, which was in line with our projections, and the slow recovery of musical instruments, particularly pianos, as well as the appreciation of the yen.
- Despite efforts to control SG&A expenses, core operating profit decreased due to the appreciation of the yen, the impact of additional tariffs imposed by the United States, and a deterioration in the product mix due to a decline in sales of audio equipment for professional use.

Outlook

Full Year Forecasts for FY2026.3

- Revised earnings forecasts downward to reflect the impact of additional U.S. tariffs currently estimated and countermeasures
- Continue to take all possible measures to mitigate the impact of tariffs

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Please turn to the first page of the presentation, which shows the highlights of our financial results.

First, these are the results for the first quarter of the fiscal year ending March 2026.

As expected, sales of audio equipment slowed down, and the recovery of musical instruments, mainly pianos, was sluggish.

Despite our efforts to reduce SG&A expenses, revenue decreased due to the impact of the strong yen, additional tariffs imposed by the United States, and a deterioration in the model mix due to a decline in sales of professional use audio equipment.

For the full-year forecast, we have revised our full-year forecast downward to reflect the impact of the additional tariffs imposed by the United States and the measures we plan to take to recover from this impact.

We will continue to take all possible measures to mitigate the impact of tariffs.



1. Performance Summary

FY2026.3 1Q Performance (three months)		FY2026.3 Full Year Outlook		YAMAHA Make Waves	
FY2026.3 1Q (Three Months) Summary					
(billions of yen)					
	FY2025.3 1Q	FY2026.3 1Q	Change (YoY)		
Revenue	112.1	103.9	-8.3	-7.4% ^{*2}	
Core Operating Profit (Core Operating Profit Ratio)	9.2 (8.2%)	4.7 (4.5%)	-4.5	-49.2%	
Net Profit ^{*1}	9.4	2.4	-7.0	-74.7%	
Exchange Rate (yen)			^{*2} -2.8% (Excluding the impact of exchange rate)		
US\$	156	145			
EUR	168	164			
*1 Net profit is presented as net profit attributable to owners of parent on the consolidated financial statements.					

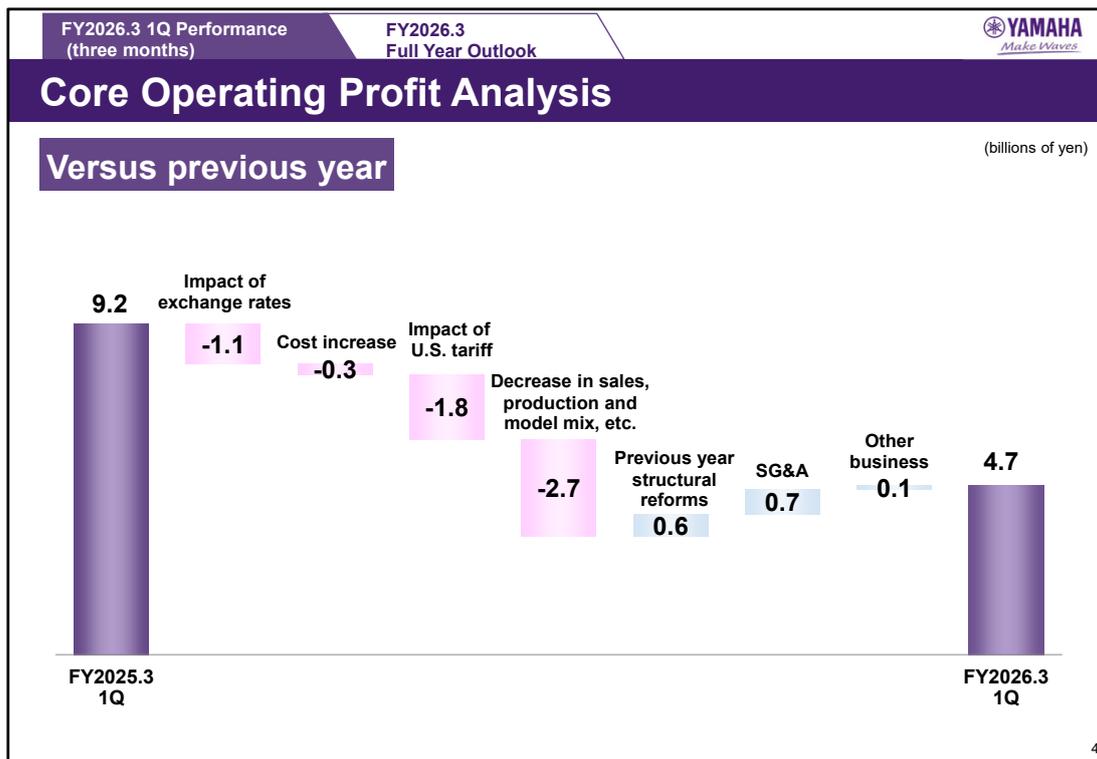
Next, I will explain the overview of the financial results.

Please turn to slide P3 for the performance summary.

These are the actual results for the first quarter. Revenue was 103.9 billion yen, core operating profit was 4.7 billion yen, core operating profit ratio was 4.5%, and net profit was 2.4 billion yen.

The exchange rates for the first quarter are as shown here. Net profit decreased by 7 billion yen compared to the previous year.

Revenue decreased by 7.4% compared to the previous year, but excluding the impact of exchange rates, it decreased by 2.8%.



Next, please turn to the slide on page 4, which shows the factors affecting the increase or decrease in core operating profit.

This is a comparison with the previous year.

In the first quarter of the previous fiscal year ended March 2025, core operating profit was 9.2 billion yen.

From there, there was a negative impact of 1.1 billion yen due to the impact of exchange rates, and the tariff impact included in this quarter resulted in a decrease of 1.8 billion yen compared to the previous year.

The next bar shows a decrease of 2.7 billion yen due to decrease in sales, production and model mix, etc.

This includes factors that will offset the impact of tariffs, but overall, the result is a decrease of 2.7 billion yen compared to the previous fiscal year.

The main factors contributing to this decline include the significant growth in entertainment PA equipment sales in the first quarter of the previous fiscal year, as well as the large increase in shipments of backlog orders, which resulted in strong performance in the previous year.

In contrast, this quarter saw a significant decline from that level. Additionally, the model mix shifted away from high-margin entertainment PA equipment, and sales in Europe also declined.

These factors were the primary drivers of the decline.

In addition, the structural reforms we have been implementing in our piano

manufacturing operations had a positive effect of 600 million yen in the first quarter.

As a result of these factors, we were able to achieve a core operating profit of 4.7 billion yen.

Performance by Business Segment

(billions of yen)

		FY2025.3 1Q	FY2026.3 1Q	Change	Exchange rate impact
Musical Instruments	Revenue	71.4	66.5	-4.8	-3.5
	Core Operating Profit	4.2	2.1	-2.1	-0.7
	Core Operating Profit Ratio	5.8%	3.1%	-2.7P	
Audio Equipment	Revenue	36.5	33.0	-3.5	-1.5
	Core Operating Profit	4.7	2.3	-2.4	-0.3
	Core Operating Profit Ratio	12.8%	7.0%	-5.8P	
Others	Revenue	4.2	4.4	0.1	-0.2
	Core Operating Profit	0.4	0.3	-0.1	-0.1
	Core Operating Profit Ratio	8.8%	6.5%	-2.3P	

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Please turn to page 5.

This is the performance by business segment.

In the musical instruments business, revenue was 66.5 billion yen, core operating profit was 2.1 billion yen the core operating profit ratio was 3.1%.

In the audio equipment business, revenue was 33.0 billion yen, core operating profit was 2.3 billion yen, and the core operating profit ratio was 7.0%.

Please take a look at the other businesses as well.

FY2026.3 1Q Performance (three months)		FY2026.3 Full Year Outlook		YAMAHA Make Waves	
FY2026.3 Outlook					
(billions of yen)					
	FY2025.3 Full year	FY2026.3 Full year (projections)	Change		
Revenue	462.1	452.0	-10.1	*2 -2.2%	
Core Operating Profit (Core Operating Profit Ratio)	36.7 (7.9%)	32.0 (7.1%)	-4.7	-12.9%	
Net Profit *1	13.4	22.5	9.1	+68.5%	
			*2 +1.2% (Excluding the impact of exchange rate)		
Exchange Rate (yen)				Currency Sensitivity per JPY1	
US\$	153	145	Revenue	JPY 870 million	
			Profit	JPY 110 million	
EUR	164	161	Revenue	JPY 640 million	
			Profit	JPY 380 million	

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

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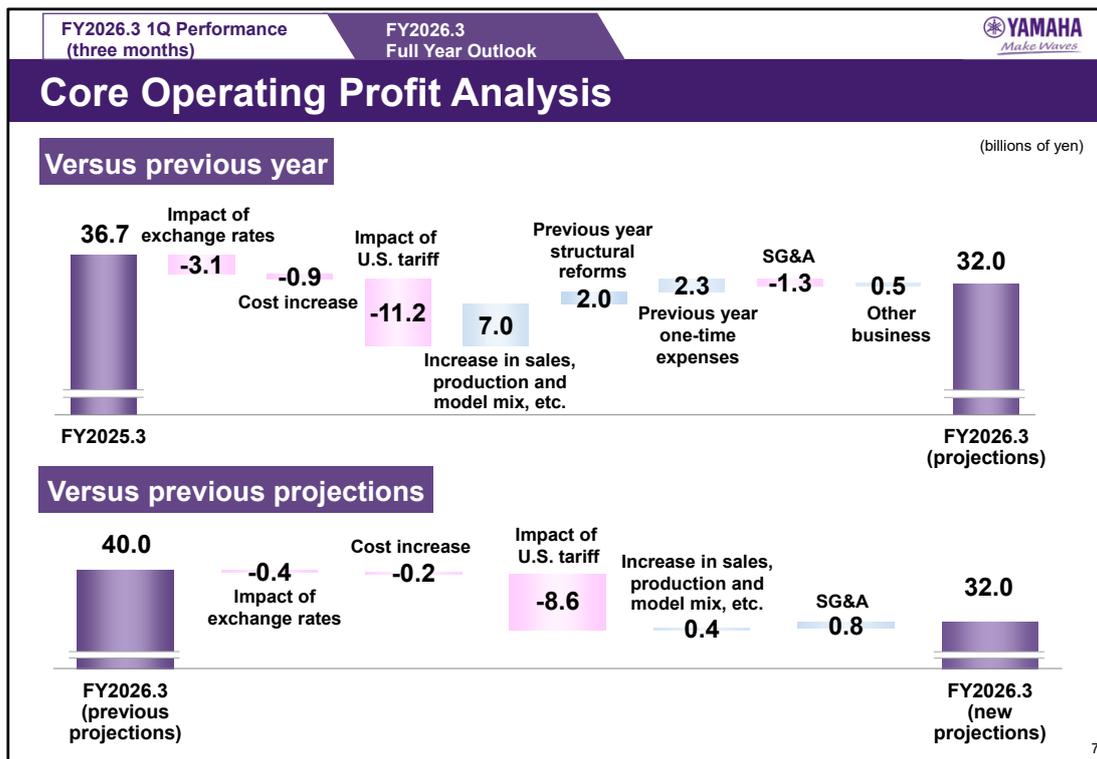
Next, on page 6, we have the performance outlook for the fiscal year ending March 2026.

For revenue, we expect 452 billion yen, with a decrease of 10.1 billion yen from the previous fiscal year.

Core operating profit is projected to be 32 billion yen, a decrease of 4.7 billion yen from the previous year.

The core operating profit ratio is forecast to be at 7.1%, and net profit is projected to be 22.5 billion yen, an increase of 9.1 billion yen from the previous year.

The exchange rate assumptions are as shown on the slide.



Next, please refer to page 7, where we have presented the factors contributing to the increase or decrease in the full-year forecast in a waterfall chart. First, in the upper section, comparing with the previous year, the impact of exchange rate will be a negative 3.1 billion yen for the full year, based on the previous year's actual results of 36.7 billion yen.

Regarding the tariff impact, this will be a negative 11.2 billion yen.

The impact of tariffs includes the reciprocal tariffs announced on April 2, as well as the 20% tariffs on China that had been in effect prior to that date.

The total of these two amounts is the negative 11.2 billion yen shown here.

Within this figure, we have indicated 7 billion yen for increase in sales, production and model mix, which includes 6.2 billion yen for measures to offset the rise in tariffs.

The effects of the structural reforms implemented in the piano manufacturing in the previous fiscal year will be 2 billion yen increase for the full year, which is in line with our previous forecast.

One-time expenses, which were mainly related to the write-down of parts and materials at the end of the previous fiscal year, will not be incurred in the current fiscal year, resulting in a positive impact.

SG&A expenses will increase by 1.3 billion yen, mainly due to investments in strategic growth areas such as new business development and Music Connect. We also expect positive results from investments in areas that will

contribute to growth in audio equipment for professional use and other areas. We will continue to focus on controlling expenses in areas such as IT expenses, unprofitable businesses, and business areas where revenue is expected to decrease.

We will continue to prioritize and focus our efforts on cost controls.

Next, a comparison with the previous forecast.

Compared to the previous announcement of 40 billion yen, the impact of tariffs is a negative 8.6 billion yen.

The difference between the negative 11.2 billion yen in the upper graph and the negative 8.6 billion yen in the lower graph is due to the impact of the 20% tariffs on China that were imposed before April 2.

The next bar of positive 0.4 billion yen represents an increase in sales, production, and model mix, etc., which includes 3.6 billion yen as a factor that will offset the impact of tariffs.

However, there are some negative factors such as a decrease in revenue from musical instruments, factors related to a decrease in production, and price optimization not been achieved as intended.

As a result, these negative factors are included in the figure, which is shown as a positive 0.4 billion yen.

SG&A expenses are expected to increase by 0.8 billion yen, but we are working to reduce expenses from the previous forecast.

As a result, the forecast is 32 billion yen.

Performance by Business Segment

(billions of yen)

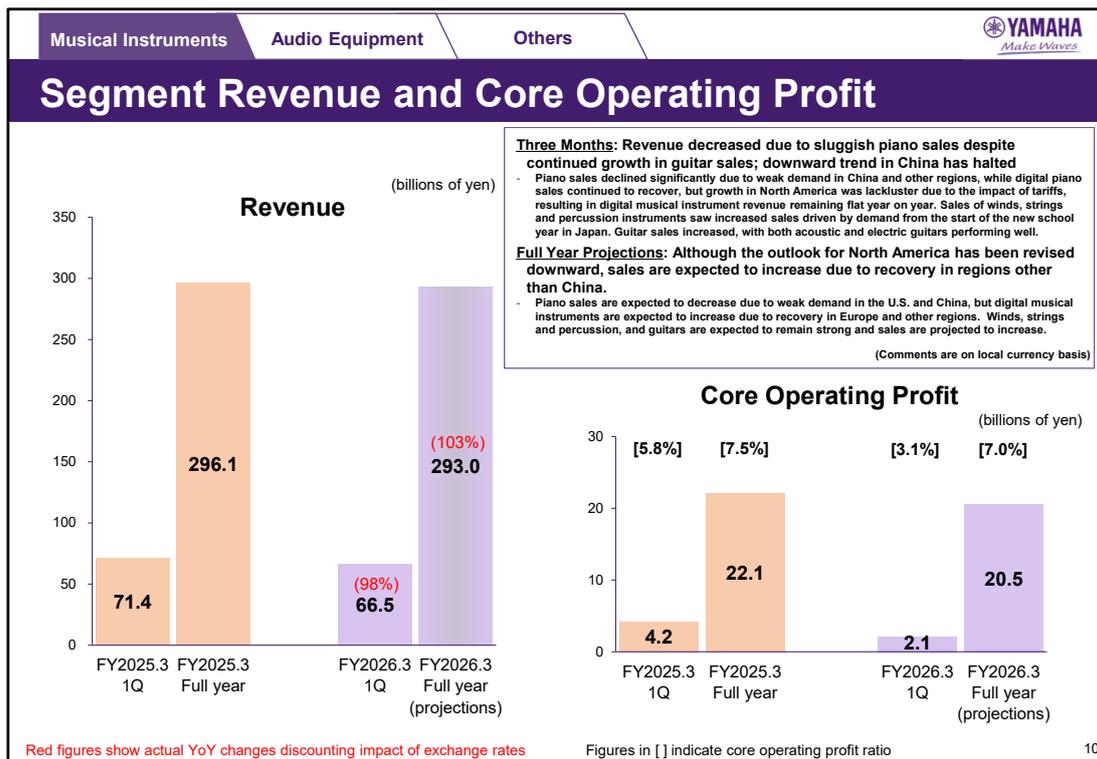
		FY2025.3 Full Year	FY2026.3 Full year (projections)	Change	Exchange rate impact
Musical Instruments	Revenue	296.1	293.0	-3.1	-10.9
	Core Operating Profit	22.1	20.5	-1.6	-2.1
	Core Operating Profit Ratio	7.5%	7.0%	-0.5P	
Audio Equipment	Revenue	147.8	139.0	-8.8	-4.4
	Core Operating Profit	14.3	11.0	-3.3	-0.7
	Core Operating Profit Ratio	9.7%	7.9%	-1.8P	
Others	Revenue	18.2	20.0	1.8	-0.4
	Core Operating Profit	0.3	0.5	0.2	-0.3
	Core Operating Profit Ratio	1.6%	2.5%	+0.9P	

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Next, on page 8, you will find the full year outlook by business segment. In the musical instruments business, we forecast revenue of 293 billion yen and core operating profit of 20.5 billion yen, representing a margin of 7.0%. In the audio equipment business, we forecast revenue of 139 billion yen and core operating profit of 11 billion yen, representing a margin of 7.9%. Other businesses are as shown here.



2. Segment Overview & Updates



Next, I will give an overview of each business segment. Please turn to page 10.

First, the musical instruments segment. The upper right shows the results for the first quarter and the full-year forecast.

First, for the first quarter, we saw continued growth in guitars, and we believe that a decline in revenue in the Chinese market has halted.

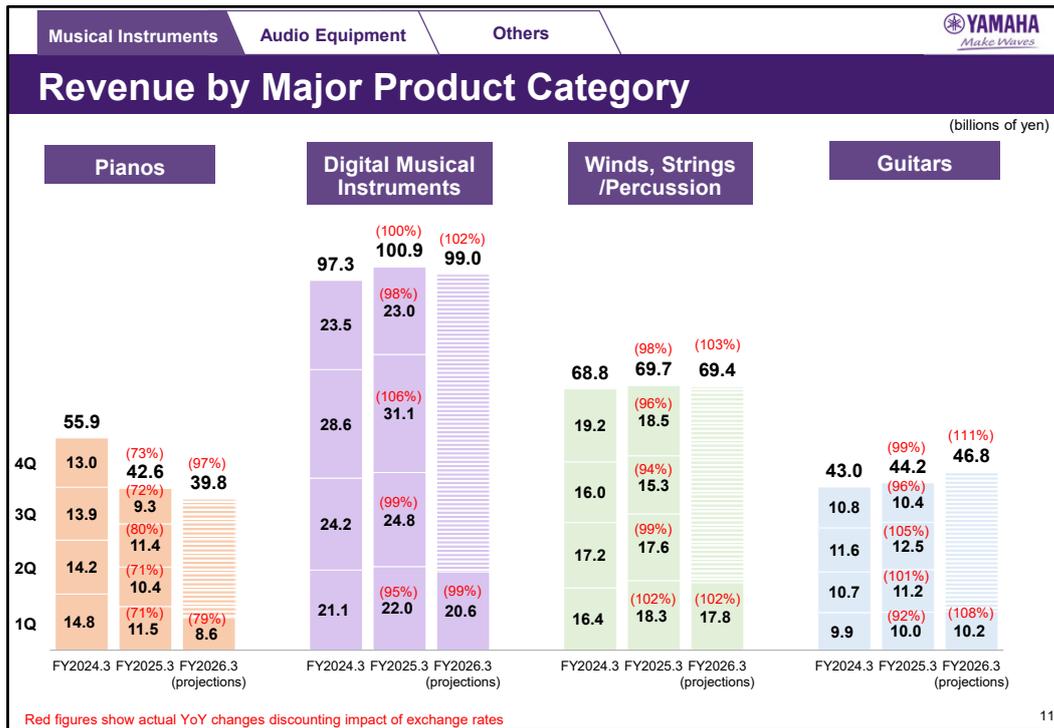
Revenue from pianos decreased significantly, mainly in China but also in other regions, while portable keyboards continued to recover, but we expect revenue of digital musical instruments as a whole to remain at the same level as the previous year due to the impact of tariffs on North America.

Revenue increased for wind, strings, and percussion instruments, as well as guitars, due to strong sales.

As for the full-year forecast, although the outlook for North America has been lowered due to the impact of tariffs, we expect revenue to increase due to recovery in markets other than China.

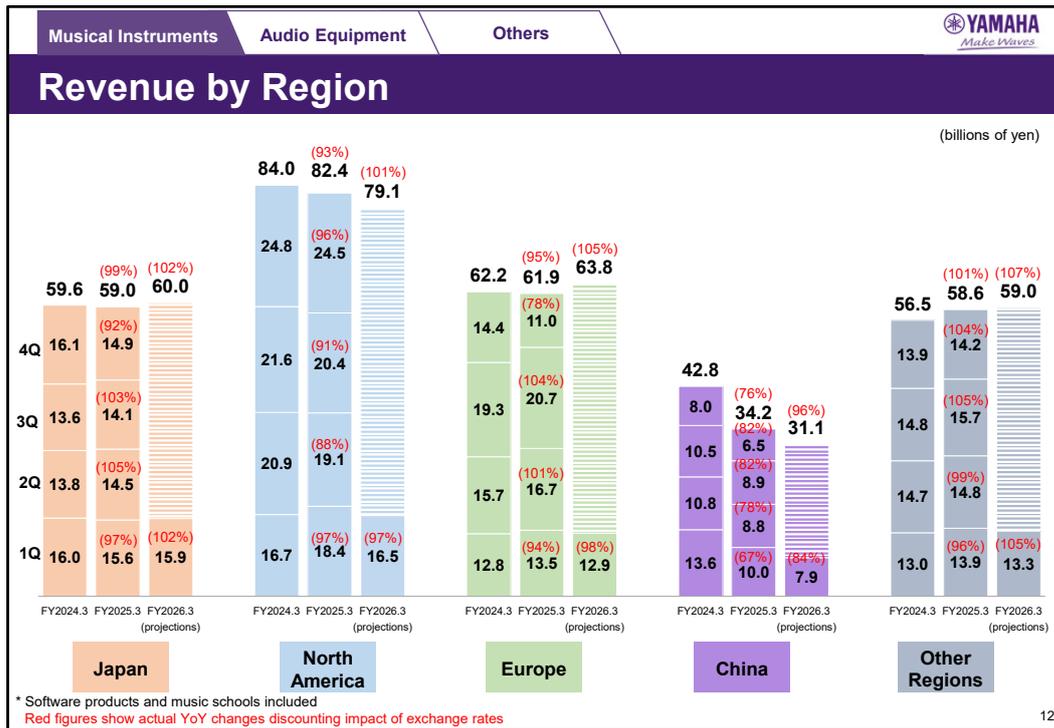
Revenue is expected to decrease for pianos due to sluggish sales in the United States and China, but to increase for digital musical instruments due to recovery in Europe and other regions.

We expect sales of wind, strings, and percussion instruments, as well as guitars, to remain strong.



Next, please turn to page 11.

This is the forecast for the current fiscal year by major product category. Excluding the impact of foreign exchange, we expect sales of pianos to be minus 3% from the previous year, digital musical instruments to be positive 2%, wind, strings, and percussion instruments to be positive 3%, and guitars to be 11%, representing double-digit growth.

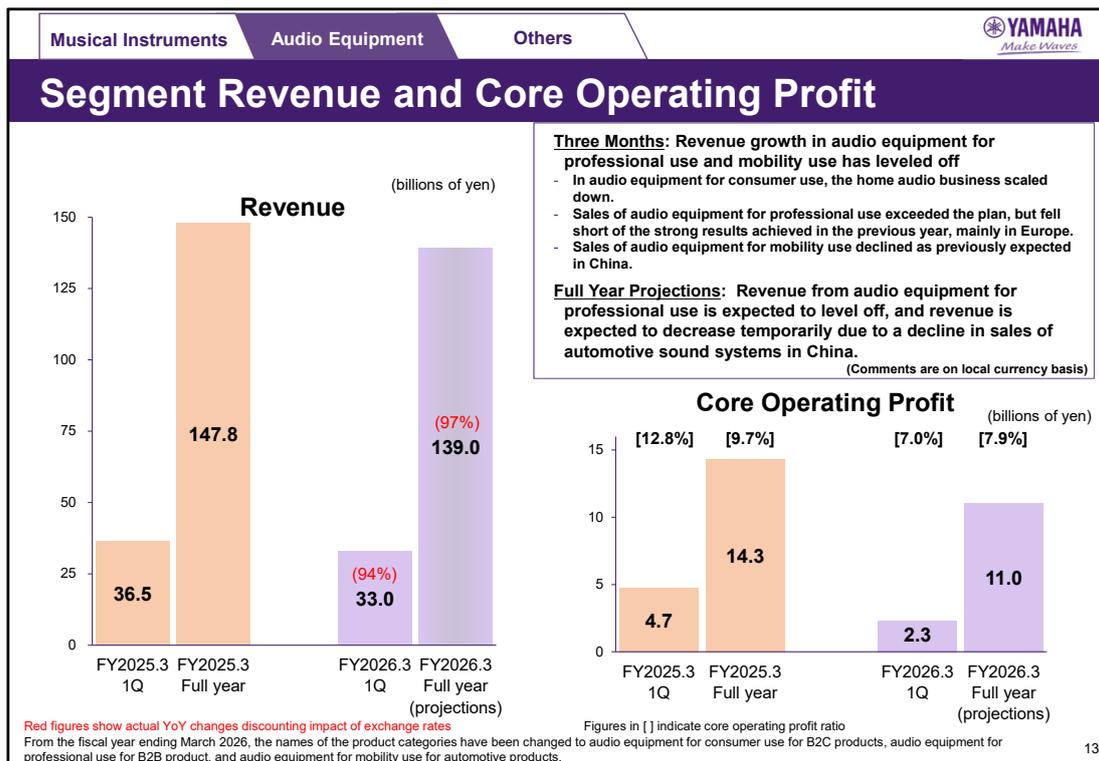


Next, on page 12, you will find revenue by region.

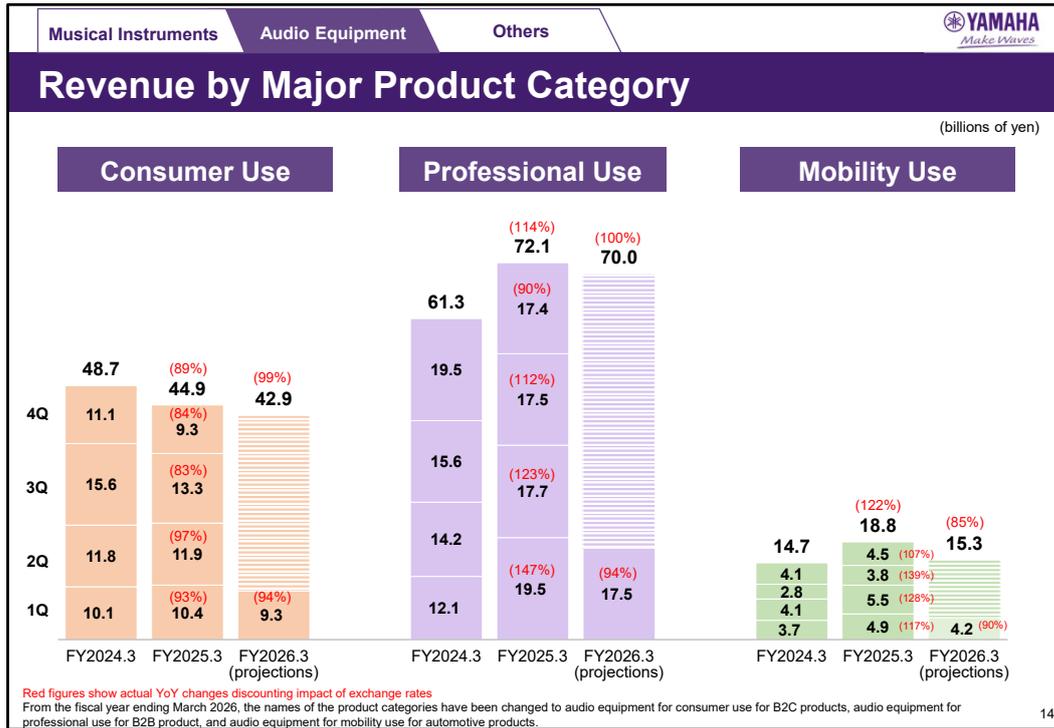
In Europe, we expect sales to reach positive 5% from the previous year, reflecting the measures we will implement in various markets to recover from the decline in the second quarter.

In China, we expect sales to reach minus 4%, reflecting the continued decline in piano sales compared to the previous year.

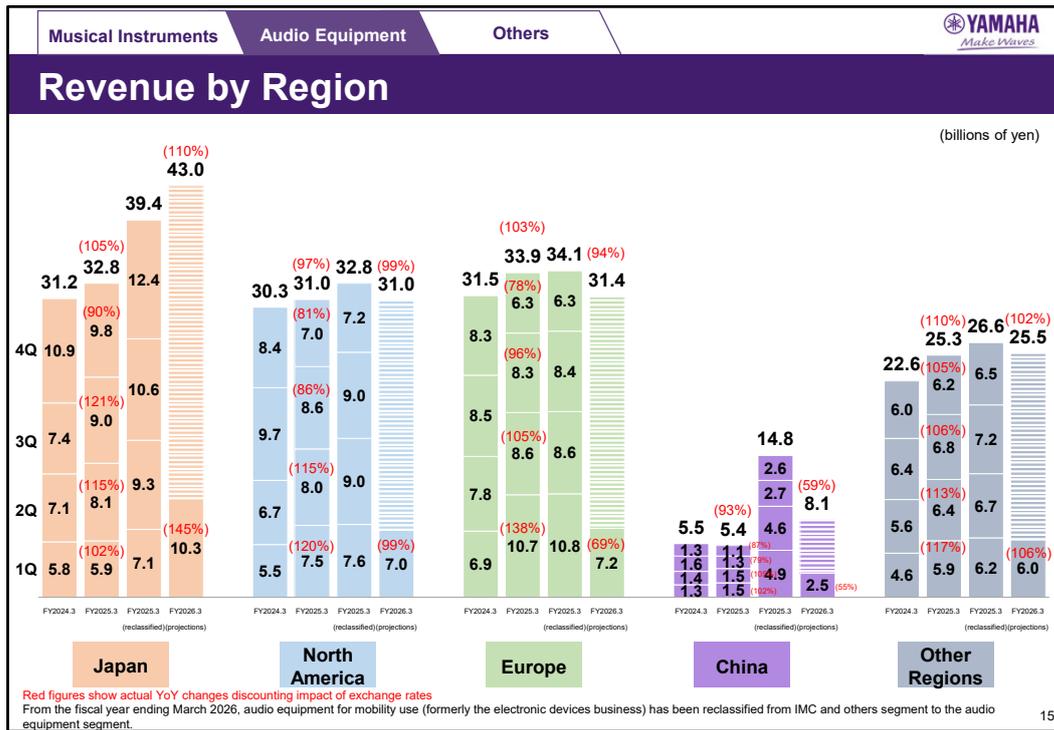
In other regions, we expect sales to reach positive 7% of the plan, which is in line with our forecast.



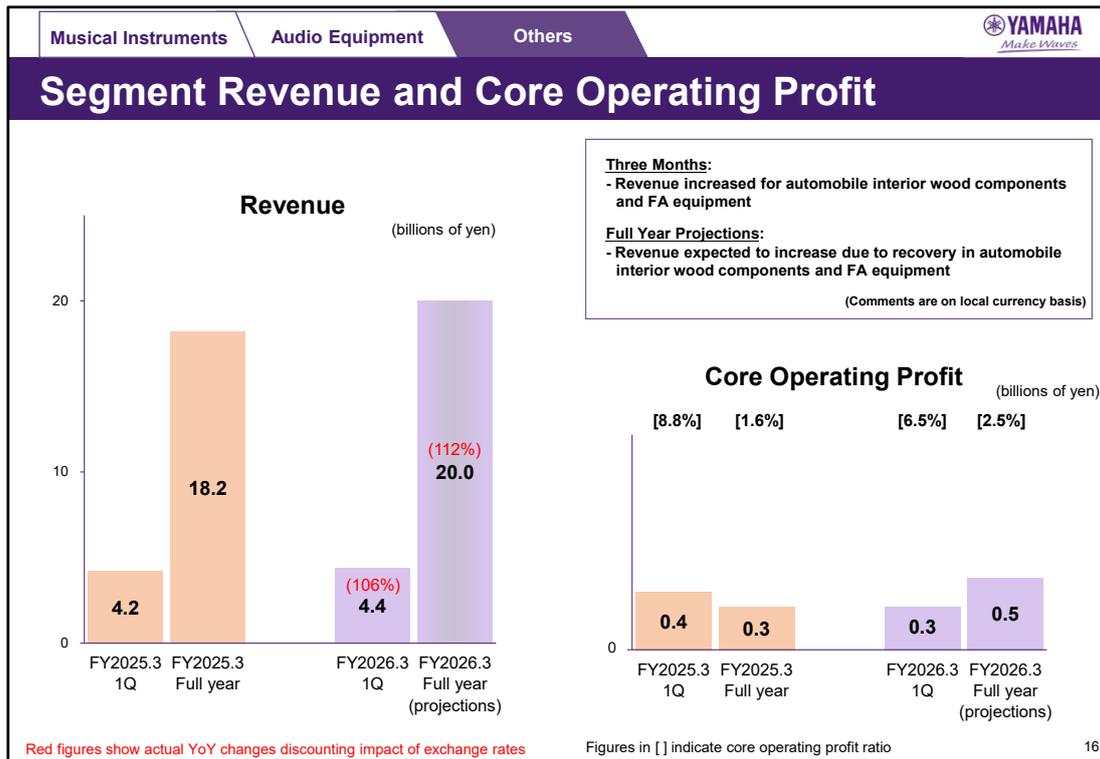
Next, on page 13, we will explain the audio equipment business. First, in the first quarter, audio equipment for professional use, which we previously referred to as B2B products, and mobility use, which we previously referred to as automotive products, both saw a pause in revenue growth. Audio equipment for consumer use, which we previously referred to as B2C products, saw a decline in the home audio business. This decline was due to the narrowing down the regions where we sell these products since the previous fiscal year and the streamlining of our product lineup to target hobbyists. Sales of audio equipment for professional use exceeded expectations but fell short of the strong results achieved in the previous year, mainly in Europe. Sales of audio equipment for mobility use declined as expected in China. For the full year, we expect a temporary decrease in revenue due to a pause in the growth of sales of audio equipment for professional use and a decline in sales of automotive sound systems in China.



Please turn to page 14, which shows sales in these three categories. Consumer use is forecast to be at negative 1%, professional use will remain flat, and mobility use is negative 15%, which are the year-on-year changes



Next, on page 15, you can see sales by region. Japan is growing significantly, due to growth in automotive sound systems for the Japanese market and growth in network equipment. Other regions are as follows: North America is at negative 1%, Europe is at negative 6% due to an adjustment period following a cycle of demand for entertainment PA equipment, and China is down significantly at negative 41% due to a decline in sales of automotive products for the Chinese market. We expect a slight increase in other regions.



Next, I will discuss other businesses.

In the first quarter, sales of automobile interior wood components and factory automation equipment increased.

For the full year, we expect sales to increase due to the recovery of automobile interior wood components and factory automation equipment.



3. Other Financial Figures

	As of March 31, 2025	As of June 30, 2025	Change	As of March 31, 2026 (projections)
Cash and cash equivalents	99.8	103.2	3.3	96.0
Trade and other receivables	87.3	77.6	-9.8	84.5
Other financial assets	5.2	2.8	-2.4	5.2
Inventories	150.5	152.0	1.5	142.0
Other current assets	9.1	8.3	-0.8	10.8
Non-current assets	239.3	238.6	-0.8	235.5
Total Assets	591.3	582.4	-8.9	574.0
Current liabilities	106.7	102.3	-4.4	93.3
Non-current liabilities	34.5	34.5	0	34.5
Total equity	450.1	445.6	-4.5	446.2
Total liabilities and equity	591.3	582.4	-8.9	574.0

(billions of yen)

Next, we will move on to other financial figures.

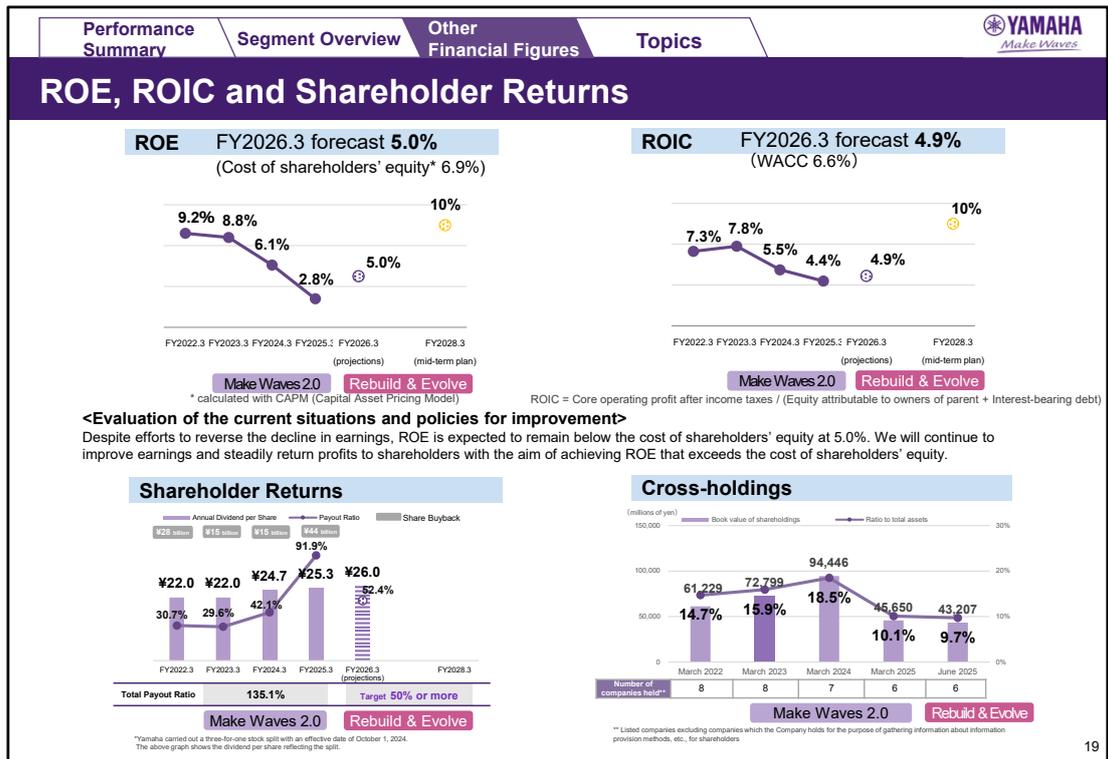
Please turn to page 18. First, the balance sheet.

Regarding the changes in the balance sheet as of the end of Q1, cash and cash equivalents increased by 3.3 billion yen, but the other significant changes include a decrease of 9.8 billion yen in trade and other receivables. However, we view this primarily as a seasonal difference between the end of March and the end of June.

In the liabilities and equity section, there was a decrease of 4.4 billion yen in current liabilities, which is due to the payment of payables.

Regarding the forecast for the end of March 2026, cash and cash equivalents is expected to be 96 billion yen, primarily due to the decrease in profits for the current period.

Other items include inventories, which are projected to be 142 billion yen, a decrease of 8 billion yen from the previous year end of 150 billion yen.



Next, please turn to page 19. This page shows ROE, ROIC, and shareholder returns.

First, regarding ROE, we had announced an initial target of 6.3% due to the impact of tariffs and other factors, but we have now revised this downward to 5.0%.

The cost of shareholders' equity is shown at the top of the page and is calculated at 6.9%.

As of May 8, it was 7.4%. The decrease of 0.5 percentage points is primarily due to a decline in the beta value.

Similarly, the WACC for ROIC has decreased from 7.2% to 6.6%.

And our target and forecast for ROIC has been set at 4.9%, which is a challenging outlook.

Regarding shareholder returns, the figure of 26 yen shown in the lower section represents the annual dividend per share.

The first half of the previous fiscal year was before the stock split, and the second half was after the split.

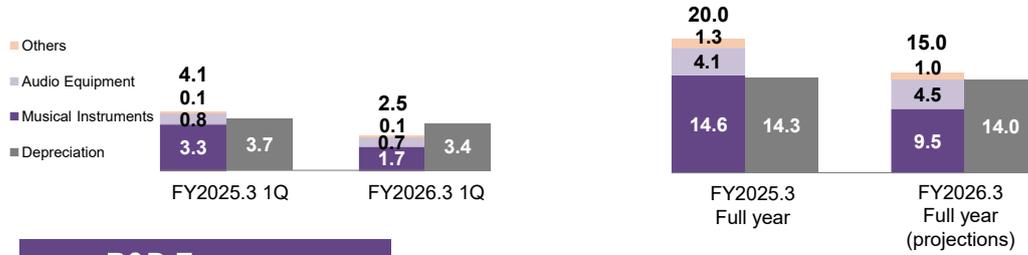
The dividend has been increased from 25.3 yen to 26 yen, and we have not changed our dividend forecast for the current fiscal year.

Regarding cross-shareholdings, the ratio has decreased to 9.7%, falling below the 10% threshold due to changes in their market value.

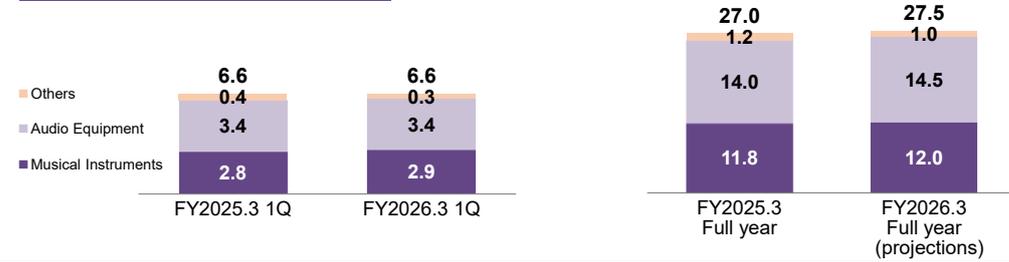
Capital Expenditure/Depreciation and R&D Expenses

Capital Expenditure/Depreciation

(billions of yen)



R&D Expenses





4. Topics

Performance Summary	Segment Overview	Other Financial Figures	Topics	
Medium-Term Management Plan Key Themes				
<p>Rebuilding a strong business foundation</p> <p>New products that pursue intrinsic product value refined through technology and sensitivity</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Digital Pianos</p>  <p>P-145BT</p> </div> <div style="text-align: center;"> <p>Electronic Drums</p>  <p>DTX6K5-MUPS</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;"> <p>Routers for corporate use</p>  <p>RTX840</p> </div> <div style="text-align: center;"> <p>Condenser Microphones</p>  <p>YCM705</p> </div> </div> <p>Digital Transformation and Productivity Improvements to Promote Restructuring of Business Foundation</p> <p>Yamaha Music Innovations partners up with four startup companies</p>  <p>https://www.yamaha.com/en/news_release/2025/25061801/</p>	<p>Evolving to create the future</p> <p>Towards universal design of words and sounds</p> <p>おもてなしガイド for Biz</p> <p>powered by SoundUD</p>    <p>Omotenashi Guide used at Expo 2025 pavilions</p> <p>https://www.yamaha.com/en/news_release/2025/25051201/</p> <p>SoundUD's multilingual announcement display service to be introduced on a trial basis by JR East</p> <p>https://www.yamaha.com/ja/news_release/2025/25071501/ (in Japanese only)</p> <p>Creating new musical experiences</p> <p>NTT DOCOMO BUSINESS and Yamaha have conducted a proof-of-concept experiment for GPAP over MoQ, a proprietary technology jointly developed that enables high-quality, low-latency, two-way live viewing.</p> <p>https://www.yamaha.com/ja/news_release/2025/25052801/ (in Japanese only)</p> <p>Yamaha and i-Pairs have jointly developed a new technology that dramatically improves the production efficiency and flexibility of virtual production.</p> <p>https://www.yamaha.com/ja/news_release/2025/25070201/ (in Japanese only)</p>	<p>Setting sustainability as a source of value</p> <p>Expand music education initiatives in emerging countries</p> <p>Promoting music education in the Philippines through public-private collaboration with the Ministry of Education, Culture, Sports, Science and Technology and JICA</p>    <p>Adopted as a support project for the Ministry of Education, Culture, Sports, Science and Technology's "Overseas Expansion of Japanese-Style Education (EDU-Port Japan)"</p> <p>Concluded a memorandum of understanding with JICA</p> <p>https://www.yamaha.com/ja/news_release/2025/25072601/ (in Japanese only)</p> <p>Climate change initiatives</p> <p>Received the highest rating of "Supplier Engagement Leader" in the CDP2024 Supplier Engagement Assessment</p> <p>(for the fifth consecutive year and fifth time overall)</p>  <p>https://www.cdp.net/en/spotlight-chain/supplier-engagement-assessment</p>		

Now, please turn to page 22 for the topics for the first quarter.

First, in terms of rebuilding a strong business foundation, we have launched new products that pursue intrinsic product value refined through our technology and sensitivity, including digital pianos, electronic drums, routers for corporate use, and condenser microphones.

Next, Yamaha Music Innovations, our base established in Silicon Valley, has started collaborating with other companies to improve DX and productivity. In the middle, regarding evolving to create the future, we are expanding the adoption of Omotenashi Guide for Biz, which aims to realize universal design for words and sounds. It is being introduced in the pavilions at the Osaka Kansai Expo and is being tested by JR East.

In addition, as we deepen our collaboration with other companies' technologies and external resources, we are working to create new musical experiences, conducting demonstration experiments with GPAP over MoQ, and developing technologies that contribute to the production efficiency and flexibility of virtual production.

Furthermore, as part of our efforts to set sustainability as a source of value, we have announced our joint public-private initiative with the Ministry of Education, Culture, Sports, Science and Technology and JICA to promote music education in the Philippines.

That concludes my presentation. Thank you for your time.

Corporate Governance

New management structure (committee chairs now external directors, cross-appointments with Yamaha Motor Co., Ltd. dissolved)

Expertise held by the Company's Directors



Director
Takuya Nakata



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	-	X			X	X	X	X
Atsushi Yamaura	-	X			X	X		X
Paul Candland	Outside	X			X		X	X
Hirohichi Shinohara	Outside	X			X	X		X
Naoko Yoshizawa	Outside	X			X	X		X
Naho Ebata	Outside		X					X
Shuji Ito (New)	Outside	X				X	X	X
Saimon Nogami (New)	Outside	X	X	X				X

◆ Nominating Committee (4 members) ◆ Compensation Committee (3 members) ◆ Audit Committee (3 members)



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



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



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



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



New
Independent Outside Director
Shuji Ito
(Outside Director of Tohoku Electric Power Co., Inc.)



New
Independent Outside Director
Saimon Nogami
(Outside Director of Yasuda Logistics Corporation)

<https://www.yamaha.com/en/ir/governance/>



Appendix

1Q Other Income and Expenses

(billions of yen)

		FY2025.3 1Q	FY2026.3 1Q
Core Operating Profit		9.2	4.7
Other Income and Expenses	Profit from (loss on) disposal of fixed assets	0	-0
	Others	-0.1	-0.1
	Total	-0.1	-0.1
Operating Profit		9.2	4.6
Financial Income and Expenses	Dividends income	0.3	0.2
	Others	3.9	-1.0
	Total	4.2	-0.8
Profit before Income Taxes		13.4	3.8
Income taxes		-4.0	-1.4
Net profit attributable to non-controlling interests		0	0
Net Profit^{*1}		9.4	2.4

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

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Full Year Other Income and Expense

(billions of yen)

		FY2025.3 Full year	FY2026.3 Full year (projections)
Core Operating Profit		36.7	32.0
Other Income and Expenses	Profit from (loss on) disposal of fixed assets	0.4	-0.1
	Others	-16.4	-1.9
	Total	-16.0	-2.0
Operating Profit		20.7	30.0
Financial Income and Expenses	Dividends income	2.6	1.8
	Others	-0.8	-0.3
	Total	1.8	1.5
Profit before Income Taxes		22.5	31.5
Income taxes		-9.0	-9.2
Net profit attributable to non-controlling interests		-0.1	0.1
Net Profit^{*1}		13.4	22.5

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

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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.