



August 4, 2020

For Immediate Release

Company Name: YAMAHA CORPORATION

President and Representative Executive Officer: Takuya Nakata

Code Number: 7951 (First Section of Tokyo Stock Exchange)

Yamaha Reports First Quarter Results for the Fiscal Year Ending March 2021 and Full Year Outlook [IFRS]

■ First Quarter Results for the Fiscal Year Ending March 31, 2021 (FY2021.3)

A Year-on-Year Decrease in Revenue and Profit

For the first quarter of FY2021.3 (April 1, 2020 to June 30, 2020), revenue decreased ¥27.7 billion (–27.9%) year on year, to ¥71.8 billion, as a result of the impact of the COVID-19 pandemic, including a ¥2.4 billion decline in revenue due to the negative impact in foreign exchange. Core operating profit declined by ¥9.7 billion (–89.5%) year on year to ¥1.1 billion, as all businesses saw a significant decrease in profits due to lower sales, including a ¥0.7 billion negative impact in foreign exchange. In addition to a decrease in core operating profit, profit attributable to owners of the parent recorded a loss of ¥1.8 billion (compared with a profit of ¥7.3 billion in the same period of the previous year), due mainly to reporting of loss from suspension of operations amounting to ¥2.5 billion owing to the COVID-19 pandemic.

➤ 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 ¥46.6 billion (–30.9%) and Core Operating Profit of ¥2.5 billion (–74.5%)

Sales of acoustic pianos and wind instruments decreased due to the impact of the shutdown of stores. Sales of guitars, which have a relatively high e-commerce ratio, increased year on year in Japan and Europe and secured sales similar to the previous fiscal year. Sales of digital musical instruments increased in North America, but overall sales declined.

Overall revenue in this segment declined ¥20.9 billion year on year, including a ¥1.8 billion negative impact in foreign exchange from the previous fiscal year. Core operating profit declined by ¥7.3 billion, including a ¥0.6 billion negative impact in foreign exchange.

Audio Equipment

Revenue of ¥19.5 billion (-21.3%) and Core Operating Loss of ¥1.1 billion (Core Operating Profit ¥0.9 billion in the previous fiscal year)

Audio products sales declined as a whole, while sales in Japan and North America increased. Sales in the professional audio equipment business decreased due to contracted demand for live and installation markets, while sales from audio equipment installations grew in Japan due to construction continuing as planned. Sales for ICT equipment expanded due to increased demand for conferencing systems in Japan.

Overall revenue in this segment declined ¥5.3 billion year on year, including a ¥0.6 billion negative impact in foreign exchange. Core operating profit declined by ¥2.0 billion, including a ¥0.1 billion negative impact in foreign exchange.

Industrial Machinery/Components and Others

Revenue of ¥5.6 billion (-21.7%) and Core Operating Loss of ¥0.3 billion (Core Operating Profit of ¥0.1 billion in the previous fiscal year)

Sales grew for electronic devices year on year but fell for FA equipment due to the slow recovery in the market.

Overall revenue in this segment declined ¥1.6 billion year on year. Core operating profit decreased ¥0.4 billion.

■ Forecasts for Earnings and Dividends in FY2021.3

The Company had not previously announced its consolidated financial forecasts for the fiscal year ending March 31, 2021, which had remained undecided due to the high degree of uncertainty concerning the impact of the COVID-19 pandemic on the Group and the difficulty ascertaining a reasonably accurate outlook. The Company's consolidated financial forecasts were prepared based on information and forecasts available at the time of the announcement.

Although, there is still a high degree of uncertainty regarding the future impact of COVID-19 pandemic at present, the Company expects that conditions will gradually improve from the third quarter onward.

Based on the above, the Company forecasts for the full fiscal year ending March 31, 2021 are: revenue of ¥355.0 billion (-14.3% year on year), core operating profit of ¥25.0 billion (-46.1% year on year), and the profit attributable to owners of the parent of ¥16.0 billion (-53.8% year on year).

In line with our policy of paying continuous and stable dividends, the Company plans to pay an annual dividend of ¥66, the same amount as the previous fiscal year.

Notes:

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

For further information, please contact:

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First Quarter of FY2021.3 Performance Outline <IFRS standards>

YAMAHA CORPORATION
August 4, 2020
(Billions of yen)

(1) Key Financial Indicators

	1Q Results	1Q Results	Results	Projections
	Three Months Results Ended June 30, 2019	Three Months Results Ended June 30, 2020	(Previous Year)	(Full Year)
	FY2020.3	FY2021.3	FY2020.3	FY2021.3
Revenue	99.5	71.8	414.2	355.0
Japan	29.4 (29.6%)	20.4 (28.4%)	123.6 (29.8%)	99.0 (27.9%)
Overseas	70.1 (70.4%)	51.4 (71.6%)	290.6 (70.2%)	255.9 (72.1%)
Core Operating Profit ^(*)	10.8 (10.8%)	1.1 (1.6%)	46.4 (11.2%)	25.0 (7.0%)
Operating Profit	11.1 (11.2%)	-1.5 (-2.1%)	43.3 (10.5%)	22.5 (6.3%)
Profit before Income Tax	11.0 (11.1%)	-1.7 (-2.4%)	47.2 (11.4%)	23.7 (6.7%)
Net Profit ^(**)	7.3 (7.3%)	-1.8 (-2.5%)	34.6 (8.4%)	16.0 (4.5%)
Currency Exchange Rate (Settlement Rate) (=yen) ^(***)	111/US\$ 126/EUR	108/US\$ 121/EUR	109/US\$ 122/EUR	108/US\$ 120/EUR
ROE	8.3%	-2.2%	10.1%	4.8%
ROA	5.8%	-1.5%	7.0%	3.4%
Basic Profit per Share	40.8yen	-10.3yen	194.7yen	91.0yen
Capital Expenditures	3.8	3.1	20.5	14.8
(Depreciation Expenses)	(2.7)	(2.8)	(11.2)	(11.8)
R&D Expenses	6.1	6.1	24.8	24.0
Cash Flows				
Operating Activities	7.2	-1.4	57.2	26.0
Investing Activities	-4.1	2.1	-21.1	-10.0
Free Cash Flow	3.1	0.6	36.1	16.0
Inventories at End of Period	104.6	100.8	100.1	95.0
Number of Employees				
Japan	5,843	5,792	5,623	5,600
Overseas	14,606	14,431	14,580	14,400
Total ^(***) (Changes from the changes in the scope of consolidation)	20,449	20,223	20,203	20,000
Temporary Staff (Average during the period)	8,128	7,672	8,064	7,800
Revenue by Business Segment				
Musical Instruments	67.5 (67.9%)	46.6 (65.0%)	269.4 (65.0%)	228.0 (64.2%)
Audio Equipment	24.8 (24.9%)	19.5 (27.2%)	114.4 (27.6%)	100.0 (28.2%)
Others	7.2 (7.2%)	5.6 (7.8%)	30.5 (7.4%)	27.0 (7.6%)
Core Operating Profit ^(***) by Business Segment				
Musical Instruments	9.8	2.5	37.8	20.0
Audio Equipment	0.9	-1.1	8.6	5.0
Others	0.1	-0.3	0.0	0.0

(2) Revenue by Business Segment and Region

(Billions of yen)

Three Months Results Ended June 30, 2020 (April-June, 2020)	Musical Instruments		Audio Equipment		Others		Total	
	Revenue	Change ^(***)	Revenue	Change ^(***)	Revenue	Change ^(***)	Revenue	Change ^(***)
Japan	10.6	54%	5.9	125%	3.9	76%	20.4	69%
North America	10.5	84%	5.3	95%	0.6	64%	16.4	86%
Europe	9.0	81%	4.7	62%	0.1	97%	13.8	73%
China	9.5	81%	1.4	66% (74%)	0.3	69%	11.2	78%
Other Areas	7.1	69%	2.2	57%	0.7	134%	10.0	68%
Total	46.6	72%	19.5	81% (82%)	5.6	79%	71.8	75%

*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 under IFRS standards.

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

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

*5 The Change indicates actual year-on-year changes discounting impact of exchange rates and figures in parenthesis show actual year-on-year change excluding the sales of OEM products.

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.