



February 4, 2021

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 Third Quarter (Nine Months) Results for the Fiscal Year Ending March 2021 and Full Year Outlook [IFRS]

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

A Year-on-Year Decline in Revenue and Profit

For the first nine months through the third quarter of FY2021.3 (April 1, 2020 to December 31, 2020), revenue decreased ¥50.3 billion (–15.6%) year on year, to ¥272.3 billion, as a result of the impact of the COVID-19 pandemic, including a ¥3.5 billion decline in revenue due to the negative impact in foreign exchange. Core operating profit declined by ¥13.4 billion (–31.5%) year on year to ¥29.0 billion, including a ¥1.4 billion decline in profit due to the negative impact in foreign exchange. In addition to a decrease in core operating profit, profit for the period attributable to owners of parent declined by ¥15.1 billion (–46.1%) year on year, to ¥17.6 billion, due to negative factors including a loss of ¥2.3 billion from the suspension of operations in response to the COVID-19 pandemic reported in the first quarter.

However, business performance is improving and although revenue in the third quarter (three months) decreased by ¥66.0 billion (–5.8%) year on year due to the impact of the COVID-19 pandemic and a shortage of product supply, core operating profit declined only by ¥0.3 billion (–1.6%). As a result, core operating profit margin was higher than the previous fiscal year.

➤ 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 ¥175.9 billion (–17.5%), core operating profit of ¥23.0 billion (–33.9%)

Revenue from acoustic pianos and digital musical instruments declined due to an ongoing shortage of product supply despite recovering market conditions. The market for wind instruments has been slow to recover. Revenue from guitars have been favorable both in Japan and in China and results have remained at the same level as the previous year.

Revenue for the entire musical instruments segment declined by ¥37.4 billion, including a ¥2.6 billion negative impact in foreign exchange. Core operating profit declined by ¥11.8 billion, including a ¥1.2 billion negative impact in foreign exchange.

Audio Equipment

Revenue of ¥74.8 billion (-13.2%), core operating profit of ¥5.1 billion (-29.0%)

Revenue from audio products declined overall, despite an increase in sales of soundbars and other products due to demand for stay homes. Revenue from professional audio equipment decreased due to a stagnation in the markets for live events and audio equipment installation. Revenue from ICT equipment rose due to a continued increase in demand for conference systems.

Revenue in the audio equipment segment overall declined by ¥11.4 billion year on year, including a ¥800 million negative impact in foreign exchange. Core operating profit declined by ¥2.1 billion including a ¥200 million negative impact in foreign exchange.

Industrial Machinery/Components and Others

Revenue of ¥21.6 billion (-6.6%), core operating profit of ¥1.0 billion (+109.1%)

Revenue from electronic devices declined but revenue from FA equipment increased.

Revenue in the industrial machinery/components and others segment overall declined by ¥1.5 billion year on year. Core operating profit increased by ¥500 million.

□ Forecasts for Performance in FY2021.3

Previous Forecast Revised Upward

The Company's forecasts for consolidated performance for the full fiscal year ending March 31, 2021, announced on August 4, 2020, projected revenue of ¥355.0 billion, core operating profit of ¥25.0 billion, and profit for the period attributable to owners of parent of ¥16.0 billion.

Although the high uncertainty remains concerning the impact of the COVID-19 pandemic to our Group, considering the recovery in market conditions and the elimination of supply shortages from our Group factories are progressing better than expected, the Company has revised its forecasts upward as follows: revenue of ¥370.0 billion (-10.7% year on year), core operating profit of ¥35.0 billion (-24.5%), and profit for the period attributable to owners of parent of ¥24.0 billion (-30.7%).

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.

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

YAMAHA CORPORATION

February 4, 2021

(Billions of yen)

(1) Key Financial Indicators

	Three Months Results Ended Dec. 31, 2019	Three Months Results Ended Dec. 31, 2020	Nine Months Results Ended Dec. 31, 2019	Nine Months Results Ended Dec. 31, 2020	Results (Previous Year)	Projections (Full Year)	Previous Projections (Full Year) (Announced on Aug. 4, 2020)
	FY2020.3	FY2021.3	FY2020.3	FY2021.3	FY2020.3	FY2021.3	FY2021.3
Revenue	114.1	107.5	322.6	272.3	414.2	370.0	355.0
Japan	28.3 (24.8%)	28.9 (26.9%)	90.2 (28.0%)	76.5 (28.1%)	123.6 (29.8%)	107.5 (29.0%)	99.0 (27.9%)
Overseas	85.8 (75.2%)	78.6 (73.1%)	232.4 (72.0%)	195.8 (71.9%)	290.6 (70.2%)	262.5 (71.0%)	255.9 (72.1%)
Core Operating Profit ^(*)	16.3 (14.2%)	16.0 (14.9%)	42.4 (13.1%)	29.0 (10.7%)	46.4 (11.2%)	35.0 (9.5%)	25.0 (7.0%)
Operating Profit	16.5 (14.4%)	16.0 (14.9%)	44.0 (13.6%)	26.7 (9.8%)	43.3 (10.5%)	33.0 (8.9%)	22.5 (6.3%)
Profit before Income Tax	16.6 (14.5%)	15.7 (14.6%)	45.5 (14.1%)	25.8 (9.5%)	47.2 (11.4%)	33.5 (9.1%)	23.7 (6.7%)
Net Profit ^(**)	11.6 (10.2%)	10.5 (9.8%)	32.7 (10.1%)	17.6 (6.5%)	34.6 (8.4%)	24.0 (6.5%)	16.0 (4.5%)
Currency Exchange Rate ^(***) (Settlement Rate) (=yen)	109/US\$ 119/EUR	105/US\$ 121/EUR	109/US\$ 122/EUR	106/US\$ 120/EUR	109/US\$ 122/EUR	106/US\$ ^(***) 121/EUR	108/US\$ 120/EUR
ROE ^(***)	12.9%	12.1%	12.1%	6.8%	10.1%	6.9%	4.8%
ROA ^(***)	8.9%	8.5%	8.4%	4.8%	7.0%	4.8%	3.4%
Basic Profit per Share	65.2yen	59.9yen	183.5yen	100.2yen	194.7yen	136.5yen	91.0yen
Capital Expenditures (Depreciation Expenses)	4.5 (2.9)	2.8 (2.8)	11.7 (8.3)	8.2 (8.5)	20.5 (11.2)	13.0 (11.6)	14.8 (11.8)
R&D Expenses	6.1	6.2	18.4	18.0	24.8	24.0	24.0
Cash Flows							
Operating Activities	21.3	14.2	40.3	34.9	57.2	38.0	26.0
Investing Activities	-7.6	-4.7	-13.0	-4.9	-21.1	-8.0	-10.0
Free Cash Flow	13.8	9.5	27.3	30.1	36.1	30.0	16.0
Inventories at End of Period	-	-	103.6	96.9	100.1	94.0	95.0
Number of Employees							
Japan	-	-	5,685	5,691	5,623	5,700	5,600
Overseas	-	-	14,723	14,386	14,580	14,500	14,400
Total ^(***) (Changes from the changes in the scope of consolidation)	-	-	20,408	20,077	20,203	20,200	20,000
Temporary Staff (Average during the period)	-	-	8,068	8,605	8,064	8,200	7,800
Revenue by Business Segment							
Musical Instruments	74.7 (65.5%)	68.7 (63.9%)	213.3 (66.1%)	175.9 (64.6%)	269.4 (65.0%)	237.0 (64.1%)	228.0 (64.2%)
Audio Equipment	31.7 (27.7%)	29.6 (27.5%)	86.2 (26.7%)	74.8 (27.5%)	114.4 (27.6%)	103.0 (27.8%)	100.0 (28.2%)
Others	7.7 (6.8%)	9.2 (8.6%)	23.1 (7.2%)	21.6 (7.9%)	30.5 (7.4%)	30.0 (8.1%)	27.0 (7.6%)
Core Operating Profit by Business Segment							
Musical Instruments	12.5	11.3	34.8	23.0	37.8	28.0	20.0
Audio Equipment	3.5	3.5	7.1	5.1	8.6	6.0	5.0
Others	0.3	1.2	0.5	1.0	0.0	1.0	0.0

(2) Revenue by Business Segment and Region

(Billions of yen)

Nine Months Results Ended Dec. 31, 2020 (April-Dec., 2020)	Musical Instruments		Audio Equipment		Others		Total	
	Revenue	Change ^(***)	Revenue	Change ^(***)	Revenue	Change ^(***)	Revenue	Change ^(***)
Japan	39.8	75%	22.5	113%	14.2	82%	76.5	85%
North America	35.5	82%	17.2	84%	2.9	111%	55.7	84%
Europe	34.6	86%	20.4	84%	0.3	174%	55.3	85%
China	36.7	96%	5.3	82% (90%)	1.7	152%	43.6	95%
Other Areas	29.4	82%	9.4	68%	2.4	140%	41.2	80%
Total	175.9	84%	74.8	88% (88%)	21.6	94%	272.3	85%

*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 on the consolidated financial statements.
*3, 7 Currency exchange rate is the export and import transaction rate applied to profit calculation.
4Q Currency Exchange Rates US\$=105JPY EUR=123JPY
*4, 5 ROE and ROA are calculated on an annually adjusted basis.
*6 Number of employees = Number of full-time staff at end of the period
*8 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.