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For Immediate Release

Company Name: YAMAHA CORPORATION

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Code Number: 7951 (TSE Prime Market)

Yamaha Reports First Quarter (Three Months) Results for the Fiscal Year Ending March 2023 and Full Year Outlook [IFRS]

□ First Quarter Results for the Fiscal Year Ending March 31, 2023 (FY2023.3)

A Year-on-Year Increase in Revenue but Decrease in Profit

For the first quarter of FY2023.3 (April 1, 2022, to June 30, 2022), revenue increased by ¥3.4 billion (+3.3%) year on year to ¥105.9 billion, due to the significant depreciation of the yen against the US dollar, despite the impact of the lockdown in Shanghai, China, and difficulties in procuring semiconductors. Core operating profit decreased by ¥2.4 billion (-18.0%) year on year to ¥11.0 billion, due to the limited impact of foreign exchange amid the real decline in revenue. Profit for the period attributable to owners of the parent decreased by ¥4.8 billion (-35.9%) year on year to ¥8.6 billion, partly due to reporting of a ¥4.7 billion gain on sales of fixed assets in the same period of 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 ¥73.4 billion (+7.0%) and core operating profit of ¥9.6 billion (-8.0%)

Sales of acoustic pianos and digital musical instruments declined in China, mainly due to the impact of the Shanghai lockdown, resulting in an overall decline in revenue. Guitars saw double-digit growth in China and increased sales in North America, but overall revenue declined. Revenue of wind, string, and percussion instruments increased, mainly due to a significant recovery in sales in North America.

Revenue of the musical instruments business overall increased by ¥4.8 billion year on year. Core operating profit decreased by ¥0.8 billion.

Audio Equipment

Revenue of ¥22.8 billion (-7.0%) and core operating loss of ¥0.4 billion (Core operating profit of ¥1.3 billion in the same period of the previous fiscal year)

Revenue of audio products and professional audio equipment declined mainly due to product supply shortages caused by difficulties in procuring semiconductors. Revenue of ICT equipment declined in reaction to the increase

in demand for conference systems in Japan in the previous fiscal year.

Revenue of the audio equipment business overall decreased by ¥1.7 billion year on year. Core operating profit declined by ¥1.7 billion year on year.

Industrial Machinery/Components and Others

Revenue of ¥9.8 billion (+3.6%) and core operating profit of ¥1.8 billion (+9.0%)

Revenue of electronic devices, automobile interior wood components and factory automation (FA) equipment declined. Revenue of golf products increased.

Revenue of the industrial machinery/components and others segment overall increased by ¥0.3 billion year on year. Core operating profit rose by ¥0.1 billion.

□ Outlook for Performance in FY2023.3

Increase in Revenues Due to the Revision of Foreign Exchange Rates Against the US Dollar, While Profit Remains Unchanged

Despite the continued shortages in product supply due to semiconductor procurement difficulties, as well as the prolonged Shanghai lockdown, the Company will revise its revenue upward due to a review of the exchange rate against the US dollar. On the other hand, profit will remain unchanged due to the limited impact of foreign exchange rates.

As a result, the Company has revised the full-year earnings forecast for the fiscal year ending March 31, 2023, which was announced on May 11, 2022, from ¥440.0 billion in revenue (+7.8% year on year) to ¥460.0 billion (+12.7% year on year), and has left unchanged, core operating profit of ¥50.0 billion (+16.2% year on year) and profit for the period attributable to owners of the parent of ¥37.5 billion (+0.7% year on year).

Note that the foreign currency exchange rates used in computing these forecasts for the second quarter onwards are ¥125 to US\$1 and ¥135 to €1.

Notes:

1. Core operating profit corresponds to operating profit under Japanese GAAP and is calculated by subtracting selling, general and administrative expenses from gross profit.
2. Figures 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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First Quarter of FY2023.3 Performance Outline <IFRS standards>

YAMAHA CORPORATION

August 3, 2022

(1) Key Financial Indicators

(Billions of yen)

	Three Months Results Ended June 30, 2021		Three Months Results Ended June 30, 2022		Results (Previous Full Year)		Projections (Full Year)		Previous Projections (Full Year) (Announced on May 11, 2022)	
	FY2022.3		FY2023.3		FY2022.3		FY2023.3		FY2023.3	
Revenue	102.5		105.9		408.2		460.0		440.0	
Japan	28.8	(28.1%)	25.4	(24.0%)	105.4	(25.8%)	108.1	(23.5%)	108.1	(24.6%)
Overseas	73.7	(71.9%)	80.5	(76.0%)	302.8	(74.2%)	351.9	(76.5%)	331.9	(75.4%)
Core Operating Profit ^(**1)	13.4		11.0		43.0		50.0		50.0	
Operating Profit	18.3		11.1		49.3		50.0		50.0	
Profit before Income Tax	18.7		12.6		53.0		52.0		52.0	
Net Profit ^(**2)	13.4		8.6		37.3		37.5		37.5	
Currency Exchange Rate ^(**3) (Settlement Rate) (=yen)	110/US\$ 127/EUR		127/US\$ 130/EUR		112/US\$ 131/EUR		125/US\$ 134/EUR		115/US\$ 130/EUR	
ROE ^(**4)	13.2%		8.1%		9.2%		8.7%		8.8%	
ROIC ^(**5, **6)	9.3%		7.0%		7.3%		8.2%		8.3%	
ROA ^(**7)	9.5%		5.9%		6.5%		6.3%		6.4%	
Basic Earnings per Share	76.3yen		50.1yen		214.8yen		218.6yen		218.6yen	
Capital Expenditures (Depreciation Expenses)	2.3 (2.9)		2.3 (3.2)		14.8 (12.1)		25.6 (13.2)		25.6 (13.2)	
R&D Expenses	6.0		5.9		24.0		25.5		25.5	
Cash Flows										
Operating Activities	12.7		-16.2		36.0		31.0		31.0	
Investing Activities	5.2		-1.9		43.7		-21.0		-21.0	
Free Cash Flow	17.9		-18.2		79.7		10.0		10.0	
Inventories at End of Period	97.4		136.7		118.6		131.0		125.0	
Number of Employees										
Japan	5,745		5,740		5,615		5,700		5,700	
Overseas	14,399		14,305		14,280		14,800		14,900	
Total ^(**8)	20,144		20,045		19,895		20,500		20,600	
Temporary Staff (Average during the period)	9,091		8,780		8,863		8,600		8,300	
Revenue by Business Segment										
Musical Instruments	68.6	(66.9%)	73.4	(69.3%)	276.2	(67.7%)	315.0	(68.5%)	302.0	(68.7%)
Audio Equipment	24.5	(23.9%)	22.8	(21.5%)	96.9	(23.7%)	105.0	(22.8%)	100.0	(22.7%)
Others	9.4	(9.2%)	9.8	(9.2%)	35.1	(8.6%)	40.0	(8.7%)	38.0	(8.6%)
Core Operating Profit ^(**1) by Business Segment										
Musical Instruments	10.4		9.6		37.3		43.0		43.0	
Audio Equipment	1.3		-0.4		1.5		3.0		3.0	
Others	1.7		1.8		4.2		4.0		4.0	

(2) Revenue by Business Segment and Region

(Billions of yen)

Three Months Results Ended June 30, 2022 (April-June, 2022)	Musical Instruments		Audio Equipment		Others		Total	
	Revenue	Change ^(**9)	Revenue	Change ^(**9)	Revenue	Change ^(**9)	Revenue	Change ^(**9)
Japan	15.6	93%	6.0	87%	3.8	73%	25.4	88%
North America	20.0	127%	5.6	93%	1.9	104%	27.5	117%
Europe	12.8	97%	5.9	82%	0.1	43%	18.7	91%
China	11.3	67%	1.3	55% (55%)	0.8	90%	13.4	67%
Other Areas	13.8	105%	4.0	96%	3.2	168%	20.9	109%
Total	73.4	97%	22.8	86% (86%)	9.8	96%	105.9	94%

*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 Currency exchange rate is the export and import transaction rate applied to profit calculation. 2Q-4Q Currency Exchange Rates US\$=125JPY EUR=135JPY

*4, 5, 7 ROE, ROIC and ROA are calculated on an annually adjusted basis.

*6 ROIC = core operating profit after income taxes / (equity attributable to owners of parent + interest-bearing debt)

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

*9 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.