



November 2, 2022

For Immediate Release

Company Name: YAMAHA CORPORATION

President and Representative Executive Officer: Takuya Nakata

Code Number: 7951 (TSE Prime Market)

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

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

A Year-on-Year Increase in Revenue and Core Operating Profit

For the period through the second quarter of FY2023.3 (April 1, 2022, to September 30, 2022), revenue increased by ¥19.5 billion (+9.8%) year on year to ¥218.0 billion, due to the significant depreciation of the yen against the US dollar, despite the impact of the lockdown in China, and difficulties in procuring semiconductors. Core operating profit increased by ¥0.9 billion (+3.9%) year on year to ¥24.4 billion, partly due to the limited contribution of foreign exchange effects amid rising material and other costs. Profit for the period attributable to owners of the parent decreased by ¥0.6 billion (-2.9%) year on year to ¥20.8 billion, partly due to reporting of a ¥4.7 billion gain on sales of fixed assets in the first quarter of the previous fiscal year, despite the reporting of foreign exchange gains.

➤ 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 ¥150.1 billion (+12.1%) and core operating profit of ¥20.6 billion (+6.6%)

Revenue of acoustic pianos declined, mainly due to the impact of the lockdown in China. Digital musical instruments were almost the same level as the previous fiscal year. Revenue of guitars increased, driven by double-digit growth in China. Revenue of wind, string, and percussion instruments increased, mainly due to significant sales growth in North America.

Revenue of the musical instruments segment overall increased by ¥16.3 billion year on year. Core operating profit increased by ¥1.3 billion.

Audio Equipment

Revenue of ¥47.4 billion (+0.1%) and core operating profit of ¥0.5 billion (-71.7%)

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 was almost the same level as the previous fiscal year.

Revenue of the audio equipment segment overall was the same level year on year, mainly due to the impact of foreign exchange rates. Core operating profit declined by ¥1.2 billion, mainly due to the negative impact of foreign exchange rates.

Industrial Machinery/Components and Others

Revenue of ¥20.5 billion (+18.6%) and core operating profit of ¥3.4 billion (+30.5%)

Revenue of electronic devices and factory automation (FA) equipment declined. Revenue of golf products increased substantially.

Revenue of the industrial machinery/components and others segment overall increased by ¥3.2 billion year on year. Core operating profit rose by ¥0.8 billion.

□ Outlook for Performance in FY2023.3

Revised Upward Due to the Revision of Foreign Exchange Rates, Etc.

Despite the continued shortages in product supply mainly due to semiconductor procurement difficulties, as well as the prolonged lockdown in China and the effect of the slowdown in demand for entry models, the Company has revised its forecasts upward for revenue, core operating profit, and profit for the period attributable to owners of the parent due to revision of foreign exchange rates and other factors.

As a result, the Company has revised the full-year earnings forecast for the fiscal year ending March 31, 2023, which was announced on August 3, 2022, from ¥460.0 billion in revenue (+12.7% year on year) to ¥470.0 billion (+15.1% year on year); from ¥50.0 billion in core operating profit (+16.2%) to ¥52.0 billion (+20.9%); and from ¥37.5 billion in profit for the period attributable to owners of the parent (+0.7%) to ¥41.0 billion (+10.1%).

Note that the foreign currency exchange rates used in computing these forecasts for the third quarter onwards are ¥140 to US\$1 and ¥140 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.

For further information, please contact:

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Second Quarter of FY2023.3 Performance Outline <IFRS standards>

YAMAHA CORPORATION

November 2, 2022

(1) Key Financial Indicators

(Billions of yen)

	Six Months Results Ended Sept. 30, 2021		Six Months Results Ended Sept. 30, 2022		Results (Previous Year)		Projections (Full Year)		Previous Projections (Full Year) (Announced on Aug. 3, 2022)	
	FY2022.3		FY2023.3		FY2022.3		FY2023.3		FY2023.3	
Revenue	198.5		218.0		408.2		470.0		460.0	
Japan	52.4	(26.4%)	50.1	(23.0%)	105.4	(25.8%)	106.1	(22.6%)	108.1	(23.5%)
Overseas	146.1	(73.6%)	167.9	(77.0%)	302.8	(74.2%)	363.9	(77.4%)	351.9	(76.5%)
Core Operating Profit ^(*)	23.5	(11.8%)	24.4	(11.2%)	43.0	(10.5%)	52.0	(11.1%)	50.0	(10.9%)
Operating Profit	28.8	(14.5%)	24.7	(11.3%)	49.3	(12.1%)	52.5	(11.2%)	50.0	(10.9%)
Profit before Income Tax	29.5	(14.8%)	30.1	(13.8%)	53.0	(13.0%)	57.5	(12.2%)	52.0	(11.3%)
Net Profit ^(**)	21.4	(10.8%)	20.8	(9.5%)	37.3	(9.1%)	41.0	(8.7%)	37.5	(8.2%)
Currency Exchange Rate ^(***) (Settlement Rate) (=yen)	110/US\$ 129/EUR		132/US\$ 134/EUR		112/US\$ 131/EUR		136/US\$ 137/EUR		125/US\$ 134/EUR	
ROE ^(***)	10.8%		9.6%		9.2%		9.4%		8.7%	
ROIC ^(***)	8.4%		7.7%		7.3%		8.4%		8.2%	
ROA ^(***)	7.7%		7.1%		6.5%		6.9%		6.3%	
Basic Earnings per Share	122.5yen		121.2yen		214.8yen		238.9yen		218.6yen	
Capital Expenditures (Depreciation Expenses)	6.0 (5.9)		6.6 (6.5)		14.8 (12.1)		25.6 (13.2)		25.6 (13.2)	
R&D Expenses	11.5		12.3		24.0		25.5		25.5	
Cash Flows										
Operating Activities	28.0		-14.3		36.0		28.0		31.0	
Investing Activities	49.3		-6.1		43.7		-19.0		-21.0	
Free Cash Flow	77.3		-20.4		79.7		9.0		10.0	
Inventories at End of Period	103.1		156.5		118.6		143.0		131.0	
Number of Employees										
Japan	5,696		5,690		5,615		5,700		5,700	
Overseas	14,388		14,367		14,280		14,800		14,800	
Total ^(***)	20,084		20,057		19,895		20,500		20,500	
Temporary Staff (Average during the period)	9,041		8,796		8,863		8,500		8,600	
Revenue by Business Segment										
Musical Instruments	133.8	(67.4%)	150.1	(68.8%)	276.2	(67.7%)	320.0	(68.1%)	315.0	(68.5%)
Audio Equipment	47.4	(23.9%)	47.4	(21.8%)	96.9	(23.7%)	108.0	(23.0%)	105.0	(22.8%)
Others	17.2	(8.7%)	20.5	(9.4%)	35.1	(8.6%)	42.0	(8.9%)	40.0	(8.7%)
Core Operating Profit ^(*) by Business Segment										
Musical Instruments	19.3		20.6		37.3		44.0		43.0	
Audio Equipment	1.6		0.5		1.5		3.0		3.0	
Others	2.6		3.4		4.2		5.0		4.0	

(2) Revenue by Business Segment and Region

(Billions of yen)

Six Months Results Ended Sept. 30, 2022 (April-Sept. 2022)	Musical Instruments		Audio Equipment		Others		Total	
	Revenue	Change ^(***)	Revenue	Change ^(***)	Revenue	Change ^(***)	Revenue	Change ^(***)
Japan	28.8	96%	13.3	97%	8.0	91%	50.1	96%
North America	37.6	115%	11.0	94%	3.9	112%	52.5	110%
Europe	26.1	97%	11.7	82%	0.1	44%	37.9	92%
China	29.5	87%	3.3	81% (80%)	1.7	74%	34.4	85%
Other Areas	28.2	105%	8.2	96%	6.7	183%	43.2	110%
Total	150.1	100%	47.4	91% (91%)	20.5	107%	218.0	98%

*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. 2H Currency Exchange Rates US\$=140JPY EUR=140JPY

*4, 5, 7 ROE 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.