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For Immediate Release

Company Name: YAMAHA CORPORATION

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Code Number: 7951 (TSE Prime Market)

Yamaha Reports Financial Results for FY2023.3 and Outlook for Performance in FY2024.3 [IFRS]

□ Financial Results for the Fiscal Year Ended March 31, 2023 (FY2023.3)

A Year-on-Year Increase in Revenue and Profit

In FY2023.3, revenue increased by ¥43.2 billion (+10.6%) year on year to ¥451.4 billion. This was mainly due to the significant depreciation of the Japanese yen against the US dollar, despite semiconductor procurement difficulties, lower demand for entry-level models, and disruptions caused by the COVID-19 pandemic in China. Core operating profit increased by ¥2.8 billion (+6.6%) year on year to ¥45.9 billion, partly due to the contribution of foreign exchange, amid rising material and other costs. Profit attributable to owners of the parent was ¥38.2 billion, up ¥0.9 billion (2.5%) year on year, mainly due to the increase in core operating profit.

➤ Revenue and Profit/Loss by Reportable Segment

Figures in parentheses are percentage changes from the previous fiscal year, unless indicated otherwise.

Musical Instruments

Revenue of ¥302.7 billion (+9.6%) and core operating profit of ¥36.2 billion (-3.0%)

Revenue of acoustic pianos declined significantly due to the impact of disruption caused by the COVID-19 pandemic in China. Revenue of digital musical instruments decreased due to decline in demand mainly for entry-level models. Revenue of wind, string, and percussion instruments increased significantly due to sales growth in North America. Revenue of guitars increased due to strong sales of electric guitars.

Revenue of the musical instruments segment overall increased by ¥26.5 billion year on year, while core operating profit decreased by ¥1.1 billion due to the impact of the significant decline in acoustic piano sales.

Audio Equipment

Revenue of ¥107.6 billion (+11.1%) and core operating profit of ¥3.5 billion (+125.3%)

Revenue of audio products declined significantly due to the impact of semiconductor procurement difficulties and sluggish sales of entry-level models. Revenue of professional audio equipment increased due to improved product supply led by a partial easing of semiconductor procurement difficulties. Revenue of ICT equipment increased significantly due to continued strong sales of network-related products.

Revenue of the audio equipment segment overall increased by ¥10.7 billion year on year. Core operating profit increased by ¥1.9 billion.

Industrial Machinery/Components and Others

Revenue of ¥41.1 billion (+17.1%) and core operating profit of ¥6.2 billion (+49.1%)

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

Revenue of the industrial machinery/components and others segment overall increased by ¥6.0 billion year on year. Core operating profit rose by ¥2.0 billion.

□ Outlook for Performance in FY2024.3

Forecast for record-high core operating profit and dividend increase

Although the outlook for the global economy remains uncertain, the Company forecasts its revenue of ¥470.0 billion (+4.1%), core operating profit of ¥56.0 billion (+22.1%), and profit for the period attributable to owners of the parent of ¥42.0 billion (+10.0%), incorporating a recovery in markets such as China and Europe, as well as an improvement in product supply shortages due to semiconductor procurement difficulties and other factors.

Core operating profit of ¥56.0 billion is projected to be a record high, surpassing the ¥52.7 billion in the fiscal year ended March 31, 2019. In addition, an annual dividend is projected to be ¥74 per share (an increase of ¥8 per share from the previous year).

Of note, the foreign currency exchange rates used in computing these forecasts are ¥130 to US\$1 and ¥140 to €1.

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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FY2023.3 Performance Outline <IFRS>

YAMAHA CORPORATION
May 9, 2023
(Billions of yen)

(1) Key Financial Indicators

	Results (Previous Year)	Previous Projections (Full Year) (Announced on Feb. 7, 2023)	Results (Full Year)	Projections (Full Year)
	FY2022.3	FY2023.3	FY2023.3	FY2024.3
Revenue	408.2	450.0	451.4	470.0
Japan	105.4 (25.8%)	106.1 (23.6%)	108.6 (24.1%)	110.3 (23.5%)
Overseas	302.8 (74.2%)	343.9 (76.4%)	342.8 (75.9%)	359.7 (76.5%)
Core Operating Profit ^(*)	43.0 (10.5%)	48.0 (10.7%)	45.9 (10.2%)	56.0 (11.9%)
Operating Profit	49.3 (12.1%)	48.5 (10.8%)	46.5 (10.3%)	56.0 (11.9%)
Profit before Income Taxes	53.0 (13.0%)	51.5 (11.4%)	50.6 (11.2%)	58.0 (12.3%)
Net Profit ^(**)	37.3 (9.1%)	37.0 (8.2%)	38.2 (8.5%)	42.0 (8.9%)
Currency Exchange Rate (Settlement Rate) (=yen) ^(***)	112/US\$ 131/EUR	135/US\$ 136/EUR	136/US\$ 136/EUR	130/US\$ 140/EUR
ROE	9.2%	8.6%	8.8%	9.0%
ROIC ^(***)	7.3%	7.9%	7.8%	8.7%
ROA	6.5%	6.3%	6.5%	6.9%
Basic Earnings per Share	214.8yen	215.6yen	222.6yen	248.5yen
Capital Expenditures (Depreciation Expenses)	14.8 (12.1)	25.5 (13.0)	20.5 (13.1)	33.5 (14.5)
R&D Expenses	24.0	25.5	25.1	26.0
Cash Flows				
Operating Activities	36.0	12.0	-14.8	92.0
Investing Activities	43.7	-17.0	-21.6	-29.0
Free Cash Flow	79.7	-5.0	-36.4	63.0
Inventories at End of Period	118.6	147.0	153.6	128.0
Number of Employees				
Japan	5,615	5,600	5,573	5,600
Overseas	14,280	14,700	14,454	14,800
Total ^(***)	19,895	20,300	20,027	20,400
Temporary Staff (Average during the period)	8,863	8,300	8,225	8,000
Revenue by Business Segment				
Musical Instruments	276.2 (67.7%)	303.0 (67.3%)	302.7 (67.1%)	318.0 (67.7%)
Audio Equipment	96.9 (23.7%)	106.0 (23.6%)	107.6 (23.8%)	112.0 (23.8%)
Others	35.1 (8.6%)	41.0 (9.1%)	41.1 (9.1%)	40.0 (8.5%)
Core Operating Profit ^(***) by Business Segment				
Musical Instruments	37.3	39.0	36.2	43.0
Audio Equipment	1.5	3.0	3.5	8.0
Others	4.2	6.0	6.2	5.0

(2) Revenue by Business Segment and Region

(Billions of yen)

FY2023.3 (April 2022-March 2023)	Musical Instruments		Audio Equipment		Others		Total	
	Revenue	Change ^(***)	Revenue	Change ^(***)	Revenue	Change ^(***)	Revenue	Change ^(***)
Japan	57.4	98%	32.1	112%	19.1	104%	108.6	103%
North America	82.7	114%	24.5	97%	7.0	97%	114.2	109%
Europe	55.6	97%	26.9	98%	0.2	41%	82.8	97%
China	51.0	79%	6.4	82% (81%)	5.1	128%	62.5	82%
Other Areas	56.0	103%	17.7	102%	9.6	119%	83.3	104%
Total	302.7	98%	107.6	101% (101%)	41.1	107%	451.4	100%

*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.

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

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

*6 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.